APRIL 8, 1933

# Railway Age

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*From a statement by L. F. Loree, president of the Delaware & Hudson, made in Washington, D. C., on April 3.*

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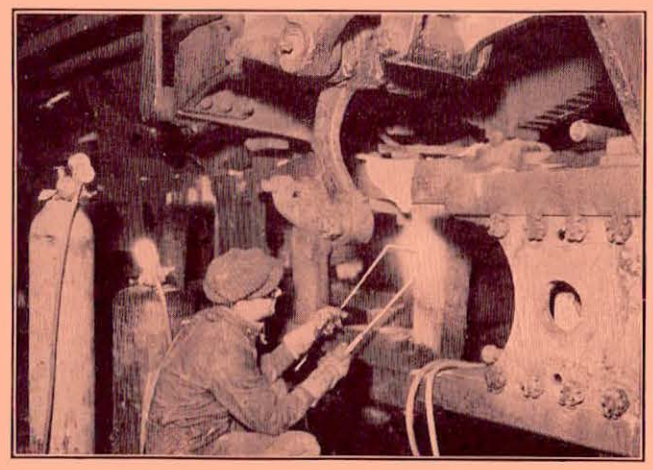

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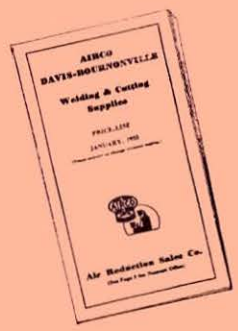


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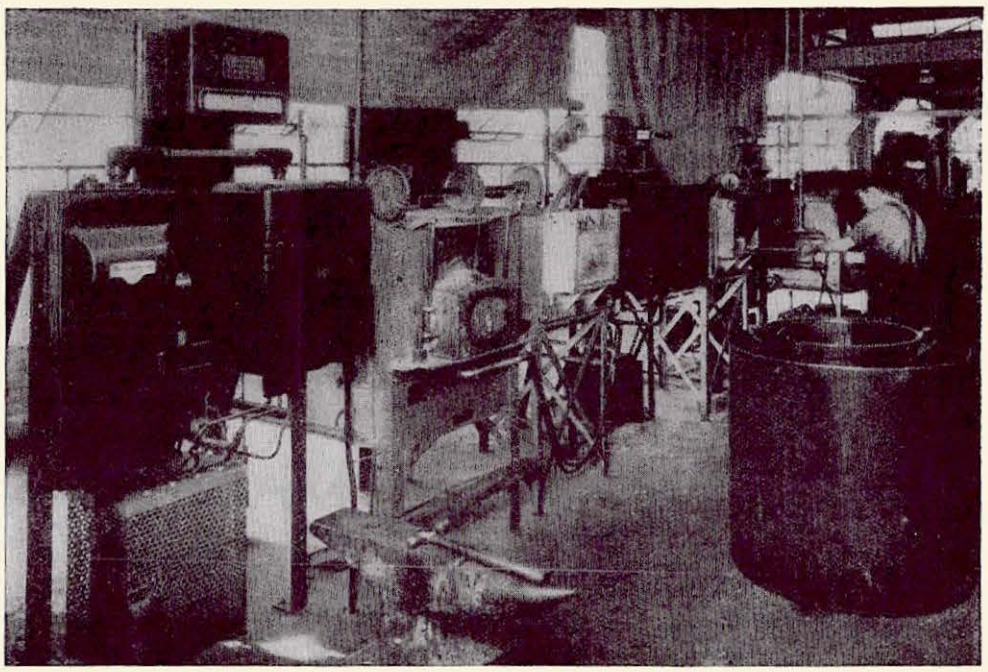
# A Southern Railroad SAVES $84,000 ANNUALLY

*with*

## ELECTRIC FURNACES



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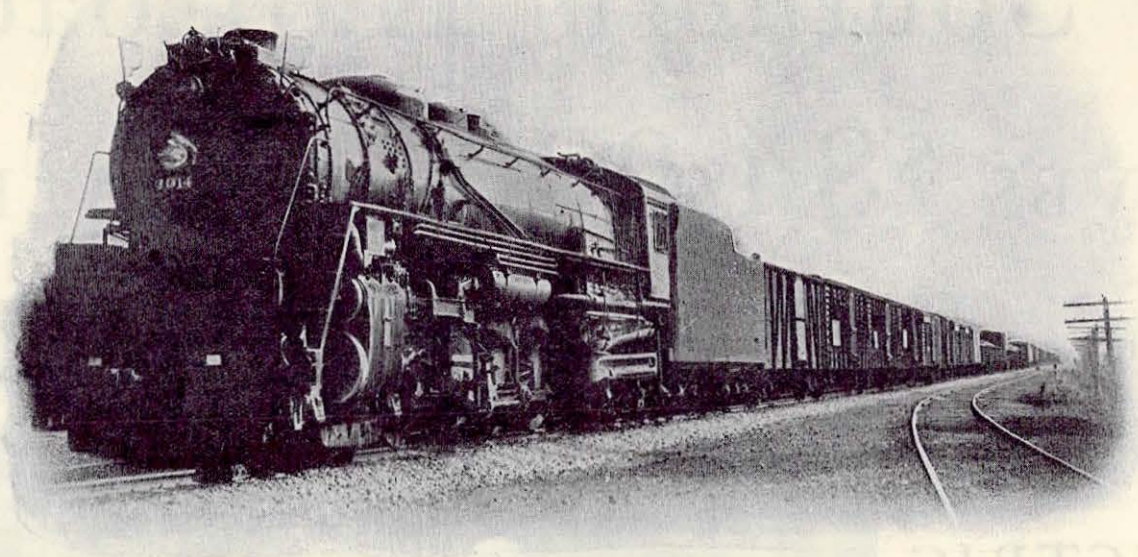

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**THE BALDWIN LOCOMOTIVE WORKS**

PHILADELPHIA

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# Railway Age

With which are incorporated the Railway Review, the Railroad Gazette and the Railway Age-Gazette. Name Registered U. S. Patent Office.

Vol. 94 April 8, 1933 No. 14

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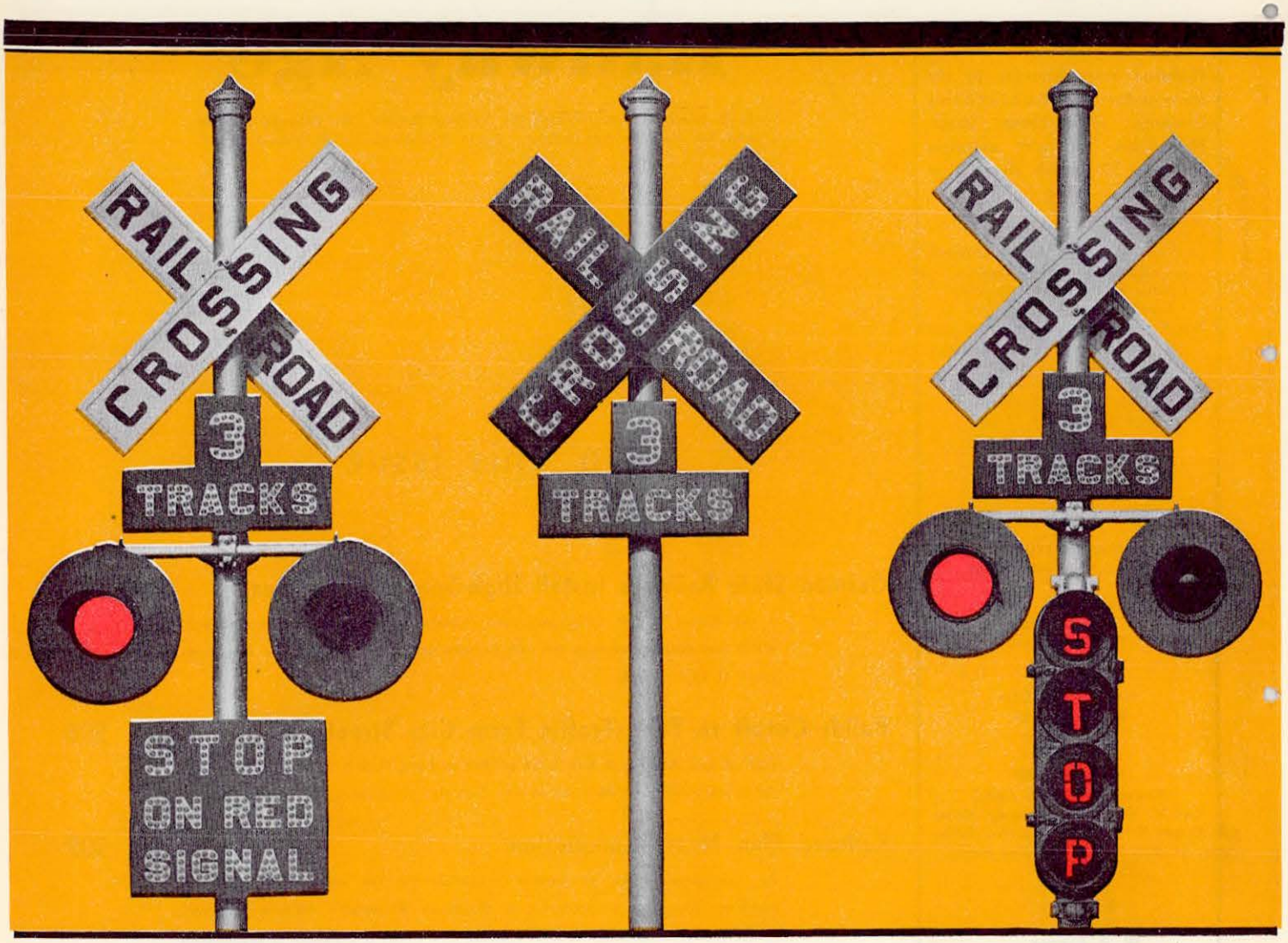



Above: 90 deg. double-face Cast Iron Crossing Sign with reflector "3 Track" Track Sign and reflector "Stop on Red Signal" Sign.

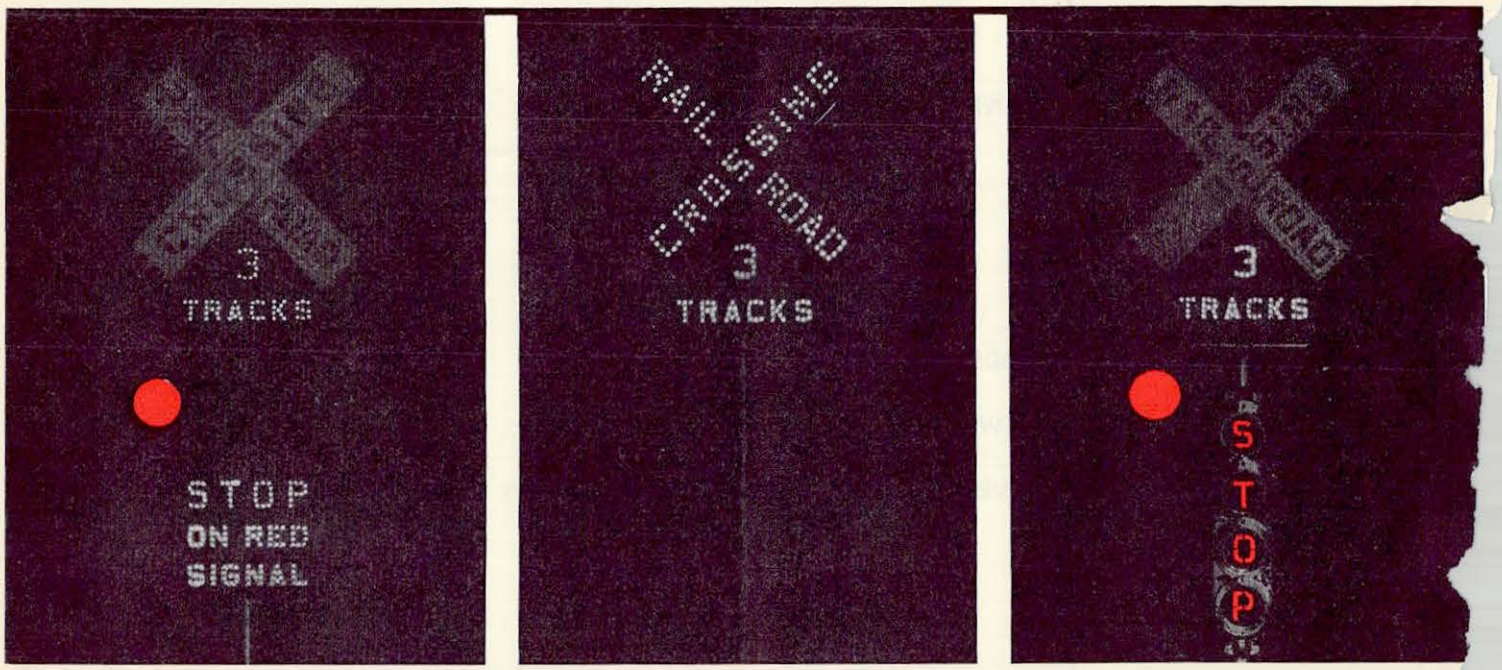
Below: As they appear to a motorist at night.

Above: 90 deg. Reflector Crossing Sign with reflector "3 Track" Sign.

Below: How these signs appear to a motorist at night.

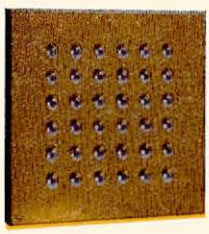
Above: 90 deg. Cast Iron Crossing Sign with reflector "3 Track" Sign and illuminated "STOP" sign.

Below: How these signs appear to a motorist at night.



# - meet New A.R.A. Highway Crossing Sign Specifications

Reflector "Stop When Swinging" Sign.



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# THE PENNSYLVANIA RAILROAD

## SUMMARY OF ANNUAL REPORT FOR 1932

THE 86TH ANNUAL REPORT of the Pennsylvania Railroad Company, covering operations for the year 1932, will be formally presented to the stockholders at the annual meeting on April 11th, 1933. The report shows that although total operating revenues, the lowest since 1911, declined over $116,000,000, or 26%, as compared with 1931, the Company earned a net income of $13,573,536. This was equivalent to 2.06% upon the outstanding capital stock at the close of the year as compared with 2.97% upon the amount outstanding at the close of 1931. Net income per share (par $50.) was $1.03, as compared with $1.49 in 1931.

### OPERATING RESULTS

| | 1932 | Comparison with 1931 Increase or Decrease |
|---|---|---|
| TOTAL OPERATING REVENUES were | $331,393,458 | D$116,696,821 |
| TOTAL OPERATING EXPENSES were | 242,011,603 | D 110,854,328 |
| LEAVING NET REVENUE of | $ 89,381,855 | D$ 5,842,493 |
| TAXES amounted to | 28,231,430 | D 1,738,307 |
| EQUIPMENT, JOINT FACILITY RENTS, etc., amounted to | 12,018,387 | D 2,180,418 |
| LEAVING NET RAILWAY OPERATING INCOME of | $ 49,132,038 | D$ 1,923,768 |
| INCOME FROM INVESTMENTS AND OTHER SOURCES amounted to | 46,599,391 | D 1,485,942 |
| MAKING GROSS INCOME of | $ 95,731,429 | D$ 3,409,710 |
| RENTAL PAID LEASED LINES, INTEREST ON FUNDED DEBT AND OTHER CHARGES amounted to | 82,157,893 | I 2,958,252 |
| LEAVING NET INCOME (Equal to 2.06% of Capital Stock) | $ 13,573,536 | D$ 6,367,962 |

A dividend of 1%, amounting to $6,583,848, was paid to stockholders on March 15, 1933, and charged against net income for 1932.

### FINANCE

The Company met its maturing obligations including $5,800,000 Equipment Trust Certificates. To enable the Company to continue at a reasonable rate work on its improvement program, and thus help to relieve unemployment, $27,500,000 was borrowed from the Reconstruction Finance Corporation. Arrangements were made to borrow $2,000,000 more, when required, to build 1285 improved type steel box cars, now under construction at the Company's shops.

The net increase in the investment in road and equipment for the entire Pennsylvania Railroad System was $25,536,414.

### OPERATING RATIO

How effectively the railroad met the decline in business during the year by reducing expenses is indicated by the ratio of operating expenses to operating revenues which was 72.6%, the lowest of any year since the war, except 1929, which was only one-half point lower. Total operating revenues in 1932 decreased 52% compared with 1929. Operating expenses were reduced 51.6% compared with 1929.

### BETTER TRAIN SERVICE

To meet the changing travel habits of the public and provide maximum comfort and convenience in facilities and service, quicker and more accommodating through schedules have been provided between New York and Chicago, St. Louis, Toledo, Detroit and intermediate points previously served only by local trains. The BROADWAY LIMITED now makes the trip between New York and Chicago in 18 hours. On all other trains extra fares have been discontinued, making both coach and Pullman travel more economical. Sleeping car service between New England and the West has been increased. Dining cars have been equipped with continuous cooling and air-conditioning apparatus and in hot weather, parlor, sleeping and coach cars are now pre-cooled at important terminals.

Faster and more flexible freight service has been installed between Pittsburgh and New England and

***Stockholders may obtain copies of the Annual Report from***

between the latter and the South, West and the Delmarva Peninsula. Store door collection and delivery of less than carload freight has been established experimentally at many places and will be extended as conditions warrant.

## ELECTRIFICATION

Electric passenger train service between New York and Philadelphia was established on January 16, 1933. This service, with the electrified operation already installed between Philadelphia and Wilmington, Del., completes the first unit of the Company's long distance electrification project, which will eventually include both passenger and freight train operation between New York and Washington.

The Pennsylvania Railroad System now has 392 miles of line and 1,287 miles of track electrified, including the Long Island Railroad, the New York-Wilmington service and all the suburban lines in the Philadelphia district.

## PROGRESS ON OTHER IMPROVEMENTS

Sufficient facilities were installed to permit operation of the New York-Washington trains through the new West Philadelphia terminal on March 12, 1933, when the old West Philadelphia Station was abandoned. Progress continued on the Company's other major improvement projects, including those at Newark, N. J., Baltimore, Md., Chicago, Ill., Cincinnati, O., and at many other places on the System where important additions and betterments have been undertaken.

## RAILROAD CONSOLIDATION

With certain modifications the Interstate Commerce Commission approved on July 13, 1932, the Four-System Plan for consolidating railroads in the east (excluding New England) and gradual grouping of the railroads allocated to the four systems will be effected as general business conditions permit.

Meanwhile, negotiations were concluded for the unification of operations of the West Jersey and Seashore Railroad controlled by the Pennsylvania and the Atlantic City Railroad controlled by the Reading with a view to eliminating losses due both to duplication of services and facilities and to the increased diversion of the traffic of these railroads to highway vehicles. Under the unification agreement, which is subject to the approval of the Interstate Commerce Commission, the Pennsylvania will own two-thirds and the Reading one-third of the stock in the operating company.

## STOCKHOLDERS

Ownership of the capital stock of the Company on December 31, 1932, was more widespread than ever before, the number of shareholders on that date being 250,506, an increase during the year of 4,997. The large investment represented by the stock and other outstanding securities of the Company together with the interest of the employes and the public are regarded by the Management as a responsibility commanding its utmost efforts.

* * *

Achievement of the results recorded above, notwithstanding extremely adverse business conditions, reflects outstanding credit upon the officers and employes. The stockholders and bondholders can cooperate with them in a most effective way and promote our mutual interests by continuing their own efforts to secure additional passenger and freight traffic for the Pennsylvania Railroad.

W. W. ATTERBURY,
*President*

*Philadelphia, Pa., April 4th, 1933.*

# THE PENNSYLVANIA RAILROAD

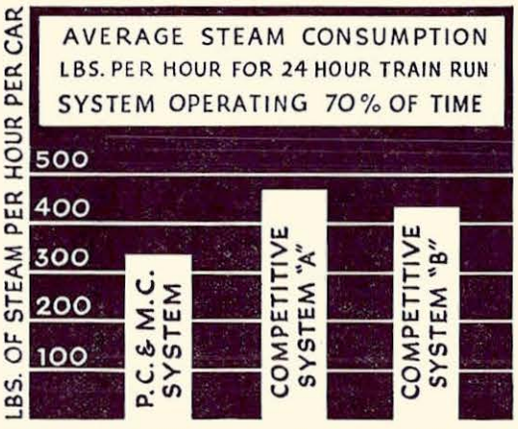
***Carries More Passengers, Hauls More Freight Than Any Other Railroad in America***

SHIP AND TRAVEL VIA PENNSYLVANIA

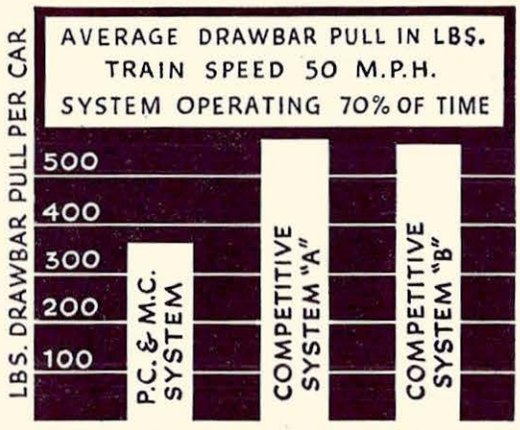
***J. Taney Willcox, Secretary, Broad Street Station Building, Philadelphia, Pa.***

# PERFORMANCE *speaks with* AUTHORITY...

The two charts below show the *relative performance* and *energy requirements* of the **PC&MC** Air Conditioning System, and two well known competitive systems. These charts were drawn by a firm of nationally known consulting engineers, from a comparison of the results obtained in *exhaustive tests of all three systems*. They represent the performance of all three types of equipment under identical operating conditions during a 24-hour train run. The figures speak for themselves:




*This chart shows the steam consumption, in pounds per hour, over the entire 24-hour train run, by each of the three systems.*




*This chart shows the average drawbar pull, in pounds, of all three systems,* at train speed of fifty miles per hour.

Your investigation of **PC&MC** Air Conditioning equipment is invited on a basis of our ability to prove it the *most economical system to operate.* It absorbs less locomotive energy. It is the lightest in weight. It has the fewest moving parts. It is the most dependable, and assures the best financial return on your investment of any air conditioning system on the market.

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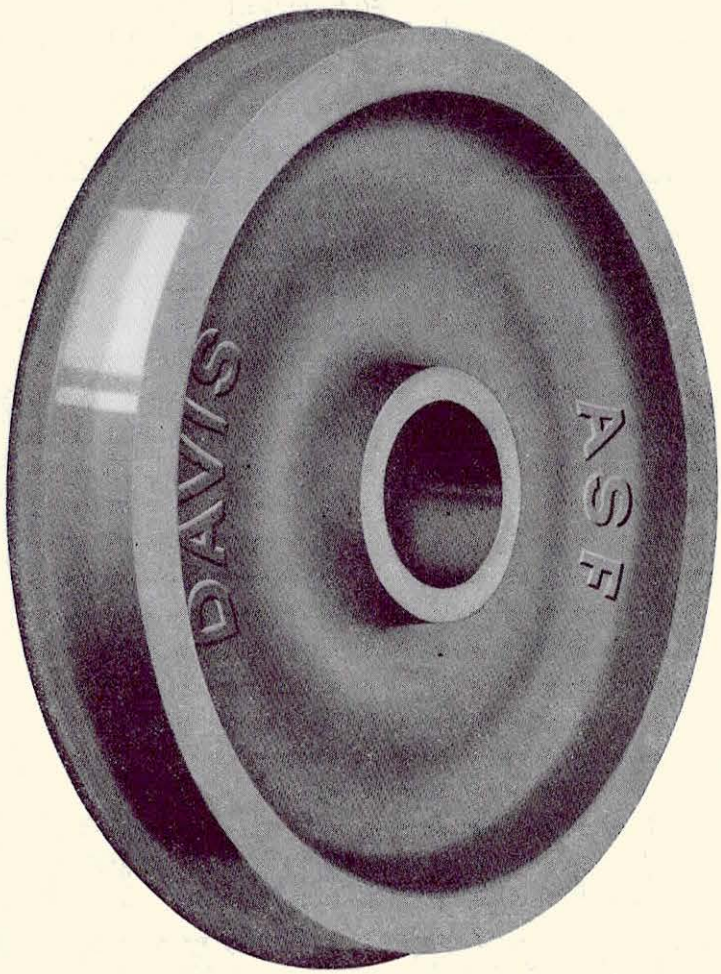


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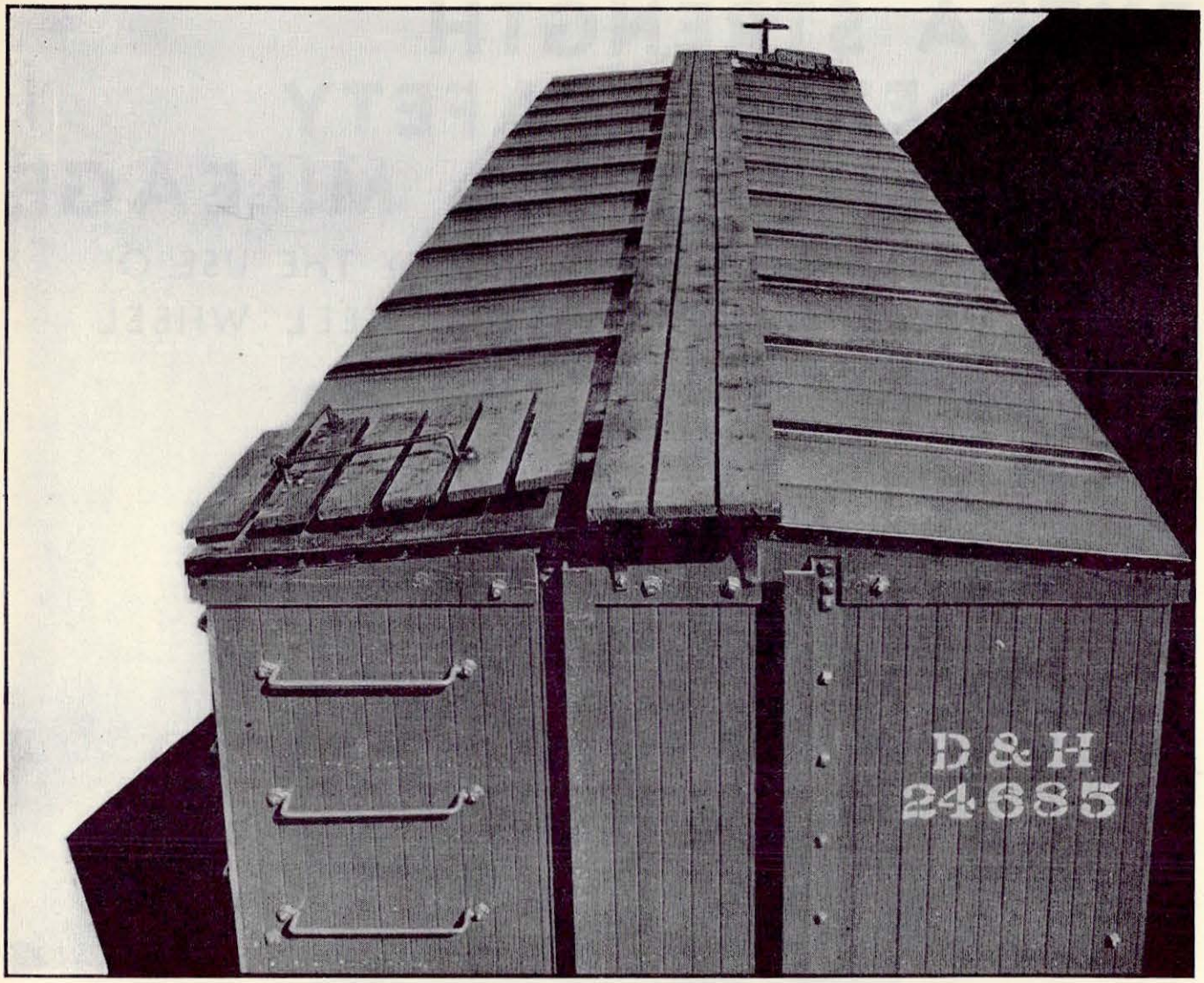


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Here is a Universal Dry Lading Roof
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And still in A-1 condition.
If this roof without maintenance
Gives 20 years of continuous service
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Which car was repaired several times—
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Probably beyond the wildest dreams.

FIGURE IT OUT FOR YOURSELF.

Hutchins Car Roofing Company

RAILWAY AGE

# The Railroad Emergency and the Future

All those who are trying to find for a particular business concern or for an entire industry a way through and out of the depression are constantly dealing with two problems. One is the problem of adopting the right measures to deal with the present emergency. The other is the problem of putting their business or industry into a condition that will help it to prosper when general business revives. This is quite as true of the railroad industry as of any other. It is confronted with an emergency that must be dealt with now, but it must also be put into a condition that will enable it to become solvent and to render the public good and economical service after business revives.

To cope with the present emergency it is essential that every practicable and reasonable reduction of railway operating expenses shall be made as soon as possible. One plan being considered is to create a federal government official who would have authority to co-ordinate the operation of competing railway systems by virtually pooling their service and thereby eliminating all avoidable expense now caused by competition. Legislation for this purpose is proposed, but as a practical matter the government probably has sufficient power without additional legislation. It can compel most railway companies to carry out the wishes of a government co-ordinator by having the Reconstruction Finance Corporation refuse to make any more loans to any railway which refuses to co-operate. The Interstate Commerce Commission, under existing law, could authorize all the pooling of service deemed by it to be in the public interest, and certainly neither the railways nor the public could reasonably object to any pooling of facilities or service needed in the present emergency to help effect savings. The kind of service that may be deemed to be in the public interest when the railways have normal traffic and earnings is one thing. The kind of service which may properly be deemed to be in the public interest when traffic and earnings are 50 per cent less than normal is an entirely different thing.

The same reasoning is, of course, applicable to salaries and wages. In almost every business concern and industry drastic reductions of compensation have had to be made because of the emergency created by the depression. Railway officers and employees should not be treated, or expect to be treated, any better or worse in proportion than persons in other industries. The wages of most railway employees have been reduced only 10 per cent, while in many other lines of business they have been reduced more, and in most lines of business much more. In the process of balancing the budgets of governments and business, all should be treated as nearly alike as conditions make practicable.

### Creditors and Debtors

In the railroad industry, as in many other kinds of business and industry, the depression has raised in acute form the question as to how the relations between creditors, on the one hand, and debtors and their employees, on the other hand, should be dealt with. Many railways have become unable to earn enough to pay their interest and other fixed charges. The same is true of many farmers, home owners and other individuals. Various projects are being advocated to use government loans to protect creditors, debtors, or both. There does not seem any good reason why there should be discrimination in the use of government money to protect some classes of creditors or debtors from losses, and not to protect other classes of creditors or debtors from losses.

Government bonds have to be sold to raise money with which to make government loans. The sale of government bonds increases government indebtedness and interest upon it, and somebody will eventually have to pay the principal and interest of this additional government indebtedness. Some persons are in debt and some are not, but all are taxpayers. If the government loses any of the money it loans, those who do not get any of the money lost by it, as well as those who do get it, will be taxed to pay the losses. Why, it seems fair to ask, should creditors who have loaned too much and debtors who have borrowed too much expect persons who have done neither to be taxed to save those who have loaned or borrowed too much from the consequences of their mistakes?

The Reconstruction Finance Corporation was originally created to bridge over a temporary national financial crisis by making loans to banks, railroads, and other institutions which it was presumed would be able to repay the loans, the presumed evidence of their ability to do so being that they could put up good and sufficient collateral. Subsequently there has been passed a new federal bankruptcy law to facilitate negotiations between creditors and debtors for voluntary financial reorganizations and settlements. Plans for wholesale

government loans which may result in certain classes of creditors and debtors being enabled to pass large parts of their losses along to the taxpayers, instead of making voluntary settlements by which they would divide the losses due to their own mistakes between themselves, seem better calculated to protract the depression than to hasten its termination; and this is as applicable to railroad debtors and creditors as to any others.

### The Balancing of Budgets

The solution of the problem of restoring prosperity is to be found in the balancing of budgets—those of government, industry, business concerns and individuals. Every budget consists of income, on the one side, and expenses, including interest in case of indebtedness, on the other hand. Budgets can be balanced either by increasing income or by reducing expenses, or by both increasing income and reducing expenses. Temporarily, it may be necessary to balance the budgets of business and individuals by continuing to reduce expenses, but, in the long run, the way to balance the budget of every industry, every business concern and every individual in a way that will restore prosperity is to increase the total national income by reviving general business, and among the means that must be adopted to revive general business is the reduction of the expenditures of every government, national, state and local, thereby making possible essential reductions of taxes. Every increase in the tax burden, actual or threatened, delays the increase in the national income which must occur if the budget of the entire American people is to be balanced under prosperity rather than under continued depression.

While drastic reductions of service, reductions of wages and reductions of fixed charges are necessary to solve the present emergency railroad problem, emergency measures should not now be adopted upon the assumption that they will afford a permanent solution of the railroad problem. The present railroad emergency is due principally to the fact that, because of the depression, railroad traffic and gross earnings have declined 50 per cent since 1929. The measure of the railroad facilities and service that will be needed after the depression passes is not the facilities and service needed now, but those that will be required to handle satisfactorily the traffic that probably will be available for the railways under fair government policies with respect to all carriers after the depression has past. The *Railway Age* has criticized the estimate that a reduction of about 750 million dollars below the operating expenses incurred in 1932 could be effected by regional consolidations because this paper has believed that this estimate has been made in support of a program intended mainly to protect the creditors of the railways, and that it disregards important facts both regarding the operating expenses incurred in 1932 and now being incurred, and regarding the future needs of the public for adequate, satisfactory and economical transportation service.

The operating expenses of the railways are roughly divisible into those incurred for the maintenance of their physical properties and those incurred for other purposes. Maintenance expenditures were reduced from $2,077,000,000 in 1929 to $978,000,000 in 1932, or about 53 per cent. The physical properties, and especially equipment, have seriously deteriorated in consequence, and no further substantial reduction of maintenance expenditures could be made without either putting the physical properties in an unserviceable condition or abandoning and tearing up a large part of them. All other operating expenses, in which the great bulk of the savings accomplished by elimination of competition would have to be made, amounted in 1932 to $1,451,000,000, and they would have to be reduced more than one-half to effect a saving of $750,000,000 annually. Certainly such facts as those here presented do not indicate that any such large reduction of expenses could be made without not only temporary but permanent reductions of railway service, involving large reductions of physical facilities, exceeding those which apparently should be made in view of the probable demand for rail service after the depression has past.

An emergency railroad problem has been created by the depression; but the railroad problem in its broader aspects has not been changed by the emergency. It is still principally the problem of maintaining the facilities required to furnish, under normal business conditions, good and adequate service, of enabling the railways to get all the traffic that they can handle better and more economically than any other means of transportation, and of readjusting their operating costs and rates in accordance with changed and changing economic conditions. The present emergency must be met, but it should be dealt with not only in accordance with present conditions but also in accordance with probable future conditions.

# Adopt the A. R. A. Crossing Signal Signs

After years of discussion, the American Railway Association, in 1925, adopted a specification authorizing the aspect for a highway crossing signal that, when indicating the approach of a train, would present the "appearance of a horizontal swinging red light and/or disk." This included both the alternating flashing-light signal and the wig-wag. However, it soon became evident that neither of these types of signal was affording the desired protection in all cases. Observations at numerous crossings, as well as investigations of accidents, revealed the fact that some drivers did not know that a signal in operation indicated the approach of a train, while others understood the indication, but, in the absence of definite instruction as to the action to be taken, took chances and proceeded over crossings in advance of trains.

To correct this situation, the A.R.A. Joint Committee on Grade Crossing Protection recommended the addition of a sign to each signal which would give definite instructions to users of the highway. Two types of signs were suggested—an illuminated automatically-controlled sign reading "STOP," and a button-type reflector sign reading "Stop on Red Signal" or "Stop When Swinging." This recommendation was approved by the Signal Section, A.R.A., the A.R.E.A., which is the Engineering division of the A.R.A., and the National Conference on Street and Highway Safety. As these three bodies include representation from the railroads, from local, state and national governments, and from various associations interested in safety, it may be considered that the recommendations represent the thought of those best informed on the subject.

It is important to consider also that the railroads are governed in matters of highway crossing protection by the railroad commissions of the various states through which they operate. Among the states in which the recommendations of the Joint Committee on Grade Crossing Protection have been adopted entirely or in part by law or by order of a commission are New York, Pennsylvania, New Jersey, Rhode Island, Connecticut, Michigan, Illinois, Colorado and Utah. New York, for example, adopted the flashing-light signal with the reflector sign reading "Stop on Red Signal," while Colorado permits the roads to use either the illuminated "STOP" sign or the reflector sign "Stop on Red Signal," depending on local conditions at the crossing involved.

When the question of standardizing these warnings arises the ordinary procedure is for a state railroad commission to call a hearing to consider the desirability of issuing an order adopting a standard. Granting that each railroad concerned has a right to its own opinion as to which type of sign should be used, it would appear from their actions that some roads desire to upset the entire program by attempting to forestall any order providing for the use of such signs. When an association or section of the A.R.A. adopts standards for automatic block or interlocking signals, this action is merely a recommendation of good practice which the roads are free to adopt or modify as they see fit. However, with respect to highway crossing signals, which are installed for the guidance of the general public, composed of individuals not governed by rules such as enginemen are, there must be one national standard to be most effective in protecting the users of the highways and in preventing claims against the railroads in case of accidents.

As the various states call for hearings to consider the adoption of the A.R.A. standards, the railroads concerned have the opportunity either of assisting in promoting more effective highway crossing protection or of leaving the A.R.A. Joint Committee without support in its effort to secure the adoption of its recommendations, which were arrived at after full consideration by representatives of all the roads that are active in the A.R.A. This being the case, railway officers should eliminate all further differences of opinion as to whether signs should be used, in order to hasten the adoption of a uniform type of protection in all states. Only by such action will uniformity of signals and resultant betterment of protection be brought about.

# The Problem of Passenger Traffic

The condition of the passenger business of the railways is nothing short of appalling. Since 1920 there has been a reduction of more than 70 per cent in their passenger revenues, and the decline is continuing. Passenger revenues have reached such a point that there is imperative need for immediate action either to revive this business or to cut the cost of passenger train service to a fraction of what it now is. Unfortunately, no small part of the cost of passenger train operation will continue whether trains are operated or not. For illustration, little can be done to reduce fixed charges on the investment in passenger train equipment and in passenger stations. Consequently, the railways have almost no alternative; they must find a way to revive their passenger business.

The situation would be less alarming if the present state of the railways' passenger business were a result merely of the business depression. Then there might be hope for substantial revival of it coincident with the anticipated revival in general business. But it is obvious that the loss of passenger business is not simply an effect of the depression. It is true, of course, that part of the decline in revenues, since the latter part of 1929, has been caused by the low ebb of general business. But there was no business depression in the years between 1923 and 1929; yet railway passenger revenues decreased steadily throughout the period. The causes of the evaporation of the railways' passenger traffic are much more fundamental, much less transitory, than the conditions arising from the depression.

These causes must be taken into consideration in the adoption of any course toward the revival of passenger business. What are the causes? The basic cause can be put in one word: Competition. Since 1920 the railways have had real competition for passenger traffic, and they have not been successful in their attempts to meet it. The railways now have five competitors for passenger business, three of them already of major importance and the other two of growing significance. First of all, there is the private automobile which has taken more traffic from the passenger trains of the railways than all of the other competitors combined. Next, there is the motor bus which, while creating a new traffic of its own, has also cut deeply into railway passenger business. Third, there is the airplane which has lured away some of the passenger train's best customers. Fourth, there is long distance telephone service, which is reducing the

need for business travel, and finally, there is the coast-to-coast steamship service which is sparing neither effort nor expense to attract trans-continental travelers from the railways.

What is there about the service offered by these competitors of the railways which is so attractive? That question, too, can be answered in one word: Economy. It may be economy of money or it may be economy of time, but it is the economy offered by the railways' competitors that is taking traffic from passenger trains. The railroads offer comfort and safety; their competitors offer economy, and get most of the business. With this fact staring the railways in the face, is it possible to avoid the conclusion that the railways must make travel by train more economical —more economical in time and in money?

Economy in time requires faster train schedules and more frequent train schedules. The railways must find a way to provide these. It will involve substantial acceleration of many present train schedules on the longer runs, where frequency of service is less of a consideration. Meeting the situation between less distant points, however, is an even more difficult problem. Fortunately, means are at hand or in process of development whereby faster and more frequent schedules over short distances can probably be provided at little or no increase in operating costs or possibly even at a reduced cost. That means is the light, small-capacity, high-speed rail motor car. The railways have thus far made only a beginning in developing the possibilities of these units. The fullest advantage of them should be taken.

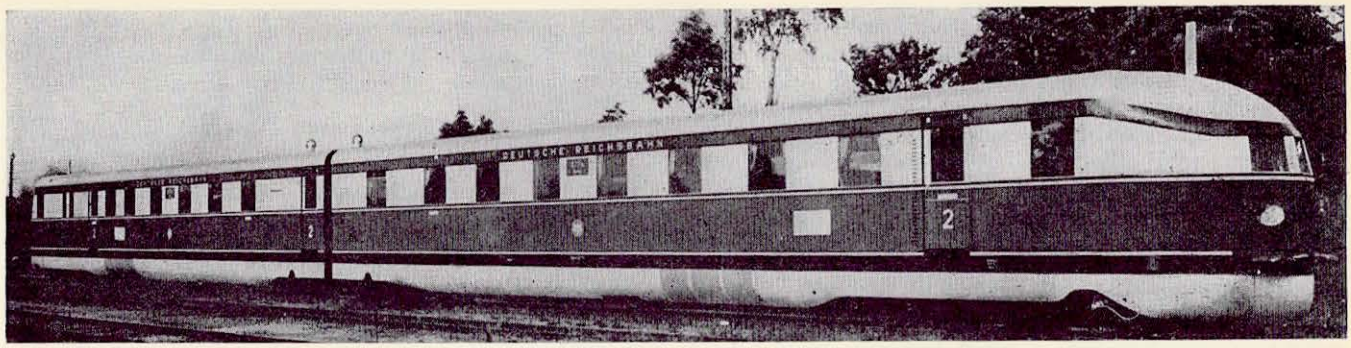
Economy in money, the other pre-requisite to the railways' recovery of passenger traffic, involves reductions in rates. Some people ask, "Can the railways afford to reduce their passenger fares?" An equally pertinent question is, "Can the railways afford *not* to reduce their passenger fares?" It is true that some of the largest railway passenger carriers would be seriously affected if the passengers they are carrying at present were to pay 25 to 50 per cent less for their tickets than they are now paying. But though 30 passengers at 3.6 cents per mile give a railway a train-mile revenue of $1.08, while it takes 54 passengers at 2 cents a mile to yield the same revenue, it is equally true that the railway must get the 30 passengers on the train under the 3.6-cent rate to earn the revenue of $1.08 per mile.. It would be no worse off carrying 18 passengers at 2 cents a mile than it would—assuming still further declines in traffic—when it found itself carrying only 10 passengers at 3.6 cents per mile. It is not enough merely to consider what the effect will be on passenger revenues if the roads are to receive a reduced rate per mile upon their present passenger traffic. Railway passenger traffic is evaporating so steadily that it will soon be impossible to count upon any volume whatever unless the situation is changed by action. Consideration must be given to the possibility of increasing traffic at a reduced rate, even though an immediate reduction in revenues might result. If the present trend continues —and there is no reason to believe that it will not continue so long as the present passenger traffic policies of the railways are maintained—the loss in revenue will come sooner or later anyway.

In the foregoing, reference is made to a rate of two cents per mile. This is not to be construed as an indication that the *Railway Age* advocates any such rate for passenger transportation. Qualification to decide the question of how low railway passenger fares should be reduced rests with the passenger traffic officers of the railways. The *Railway Age* is of the opinion, however, that some reduction in the basic rate of fare is necessary, and that it should be a substantial reduction. A reduction to two cents per mile would be a very substantial reduction—approximately 50 per cent—and it is quite possible that as good results can be secured from a somewhat higher rate, provided the other steps necessary to make travel by rail more attractive are taken.

Whatever reduction in the passenger rates may be made, it should be a basic every-day reduction. Special rates, excursion rates and all the other devices which the railways have used in their efforts to attract special or seasonal traffic at off-peak times are not enough. The present necessity lies not in the temporary stimulation of railway passenger traffic. It lies instead in the re-creation in the public of the habit of travel by rail. That necessity can be met, if at all, only by major improvements in the passenger service which the railways have to sell, by complete re-pricing of this service, and by radical revision of the selling and promotional methods employed by the railways.

There is one aspect of the situation which should not be overlooked. The railways possess an advantage which their principal competitors do not enjoy. That advantage lies in the Pullman sleeping car service which the railways alone can provide. This advantage should be capitalized to the fullest extent, not disregarded or dissipated. It has been proposed that there should be a substantial differential between the rates charged for coach travel and those charged for Pullman travel, this differential extending beyond the price which the Pullman Company charges for the use of its facilities. On the other hand, a substantial differential between first-class rates and day coach rates tends to pull passengers out of Pullmans into day coaches. There is ample evidence to arouse the fear that continuation of the large differentials which now exist in various localities will dissipate the advantage which the railways possess in the availability of Pullman service. Some differential may be justified, but it should not be a large one.

The existing condition of the passenger traffic of the railways is a challenge to their resourcefulness and ingenuity. The railways are in the position of an industry with a large plant and limited public acceptance of its product. That acceptance will be created—must be created—by building from the ground up.




The "Flying Hamburger"

# German State Railways Install High-Speed Motor Coach*

## The "Flying Hamburger" is an articulated unit seating 100 persons and capable of 100 m. p. h.

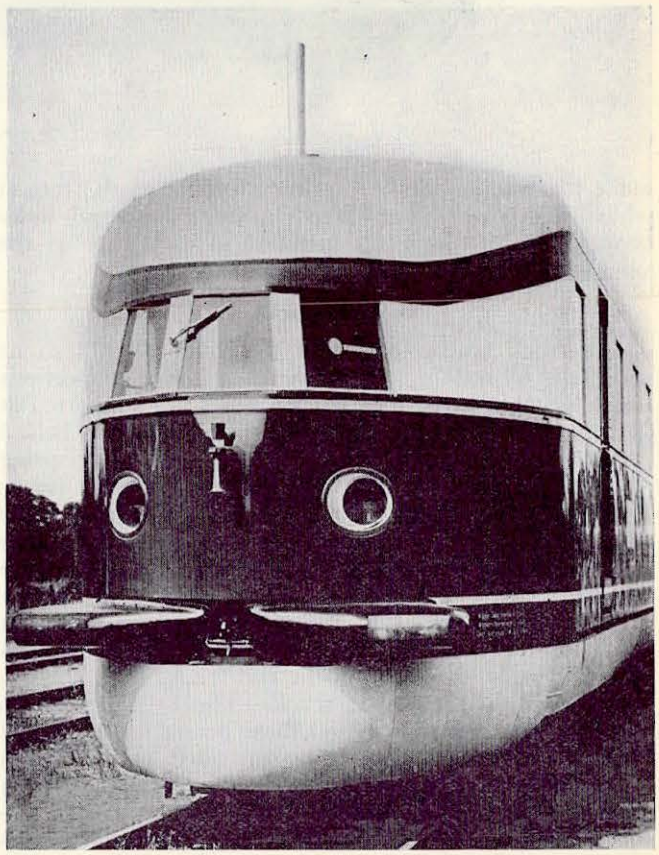
DURING March the German State Railways placed in service between Berlin and Hamburg a Diesel-electric train, with seats for 100 passengers, which is designed for a maximum speed of 99.3 m.p.h., a regular operating speed of 93.2 m.p.h., and an average speed of between 75 and 78 m.p.h. on the 179.2-mile run. The train, known as the Flying Hamburger, leaves Hamburg for Berlin early in the morning and departs from Berlin on the return trip late in the afternoon.

The equipment of the train consists of an articulated unit of two coach bodies carried on three four-wheel trucks. Much of the credit for the high speed which it has been possible to obtain with this vehicle is the result of the careful attention which was paid to streamlining in the construction of the body. The vehicle is too long to turn, and departure from the ideal streamlined form was necessary to provide equal resistance in both directions of motion. The form selected was the result of wind-tunnel tests and includes side aprons to reduce air turbulence under the car body.

The unit is powered by two 405-hp. Diesel motors directly connected to electric generators. Each Diesel-electric unit is mounted directly on one of the end trucks, thus aiding in keeping motor vibration and fumes from the car body. The center truck is equipped with two driving motors, one gear-connected to each axle.

The car body is 137 ft. 5¾ in. long overall, 9 ft. $3\frac{7}{16}$ in. wide outside and 8 ft. $10\frac{15}{16}$ in. wide inside. The maximum height over the rail is 12 ft. $2\frac{1}{16}$ in. All three trucks have a uniform wheel base of 11 ft. $5\frac{13}{16}$ in. The weight in working order, including about 6,600 lb. of fuel but without passengers, is 170,576 lb., of which 54,824 lb. is carried on each of the two end trucks and 60,928 lb. on the center truck.

The framework of the body is a rigid welded structure of light weight which is built up from standard rolled sections, sheathed with thin metal sheets which are .079 in. in thickness below the windows and .059 in. above. The covering of the roof is reinforced with ¼-in. plywood and the body is lined with ⅛-in. plywood. The car floor is laid with ¾-in. pine. The adjoining ends of the two halves of the coach body are carried by a double spherical support which is seated on the center

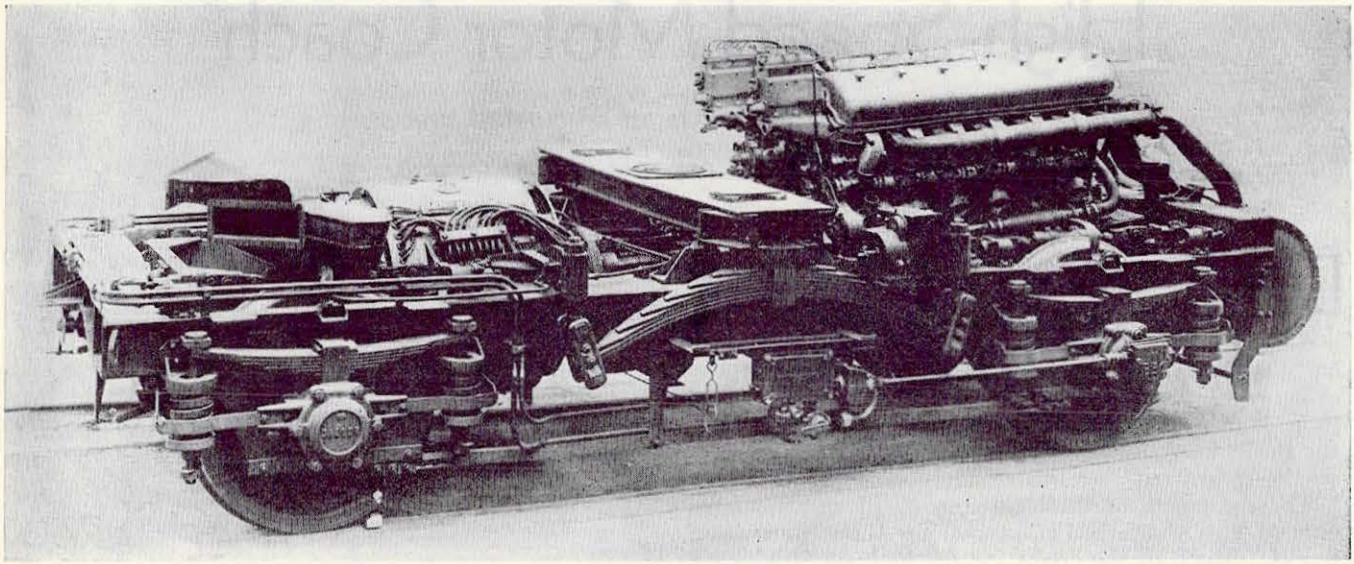


The Streamlined End of the "Flying Hamburger"

* The facts concerning the dimensions, weight and details of construction of the German high-speed motor coach contained in this article are taken from a paper entitled "Der Schnelltriebwagen der Deutschen Feichsbahn-Gesellschaft," by Reichsbahndirektor Dr. Ing. E.h. Friedrich Fuchs and Reichsbahnoberrat Max Breuer, Berlin, which appeared in the January 21, 1933, issue of Zeitschrift des Vereines Deutscher Ingenieure.

plate of the center truck. No other buffer or coupling device is provided between the two bodies, but provision is made for hauling the cars by means of an eye-ring at each end to which a coupling carried inside the coach may be attached when necessary. Streamlined buffers at each end of the body underframe are cushioned with semi-cylindrical rubber springs to protect the light coach from damage from accidental contact with other cars.

Passengers are carried in two compartments, one in each half of the body. The seats are of the Pullman-section type and are arranged for three persons on one side of the car and one on the other. In addition to the passenger compartment, a small baggage room behind the engine room and two lavatories are provided on one half of the unit and a buffet which serves both hot and cold drinks and sandwiches is located in the other half of the unit, at the center. These refreshments are served in the sections. The heat for boiling water is obtained by utilizing the electric current flowing through the generator field regulating resistance. In order to make the heating of the cars independent of the rate at which the power plants are working, a special independent heating boiler is installed in each half of the vehicle.



One of the Power-Plant Trucks

## The Trucks

The truck frames are built up from rolled sections and plates by welding, with riveted or bolted connections for detachable parts. The truck frames are supported at each journal box by a flat plate spring and two helical springs of square-section steel, one in each plate-spring hanger. The bolster load is carried to the truck frame by a single longitudinal plate spring at each side of the truck in the case of the two end trucks and by double plate springs at each side of the center truck owing to its greater load.

An unusual feature of these trucks is the provision of a cast-steel brake drum at each wheel. These drums are 26¾ in. in diameter on the end trucks and 30¾ in. in diameter on the center truck. The two large clasp brake shoes which operate on these drums have friction linings, each brake shoe being provided with its own small operating cylinder. The eight brake cylinders on each truck are supplied from a common auxiliary reservoir and Knorr quick-acting valve. The brake drums are attached to the inside of the wheels on the two end trucks. In the case of the center truck, however, the space between the wheels is completely occupied by the driving motors and the drums have been placed between the wheels and the journal boxes on the outside. Roller bearings are provided on all truck journals.

## The Power Plant

Power is provided by two Maybach Diesel engines, each developing 405 hp. and directly connected to an electric generator through a flexible coupling. Each engine-generator set is mounted in one of the end trucks. To relieve these power units of stresses caused by torsion in the truck frame, each engine and generator is mounted in a sub-frame which has a three-point suspension within the truck frame.

The car is driven by two nose suspended electric motors, one driving each axle. Current from each generator is led directly to the corresponding electric motor on the center truck.

The Maybach engines are 12-cylinder, V-type and operate on solid fuel injection. They deliver their continuous output of 405 hp. at 1,400 r.p.m. and have a one-hour rating of 424 hp. The cylinders are 5⅞ in. in diameter by 7⅞ in. stroke. Each motor weighs 4,476 lb. The fuel consumption at the most economical load is .401 lb. per hp.hr. Roller bearings are provided for the crank shafts and connecting rods. Two cylinders drive on each crank pin.

The power is controlled by the regulation of engine speed. The controller handle operates to regulate the governor spring, the power delivered to the motors thus being controlled simply by raising or lowering the speed of the Diesel engines. A reversing switch is the only control required between each generator and its motor.

A 96-volt storage battery is used in order that the starting current and the cross-section of the starting winding may be kept within reasonable limits. Half of the battery is used for the lighting of each half of the coach, but the other auxiliary circuits operate at the full voltage of the battery. A lighting generator is driven from each Diesel set. This charges half of the battery and provides normally for the lighting circuit. These generators develop their full voltage at 750 r.p.m., the light-load speed of the Diesel engines.

On the Berlin-Hamburg line the distance signals are 3,936 ft. in advance of the home signals. It is possible to bring the high-speed motor coach to a standstill from its maximum speed within this distance with the improved braking equipment. The car is also equipped with supplementary electro magnetic track brakes which

are used only in case of emergency. The retarding effect of these brakes is independent of the adhesive weight of the car. In each of the two Diesel trucks there are four braking magnets, 29½ in. long, and in the center truck are two magnets 39⅜ in. long. An oil-pressure hand brake acting on the power-brake drums is used in switching and when the vehicle is parked. The cars are provided with inductive train-control equipment. The unit may be operated from either end.

The development of the car has occupied slightly more than two years and it is said that in all stages of the test and trial runs the expectations of the designers have been fully realized.

# Annual Report of Pullman, Inc.

THE annual report of Pullman, Inc., and subsidiaries for the fiscal year ending December 31, 1932, shows progress made under very adverse conditions in both the transportation and manufacturing branches of the business. Travel in Pullman cars declined to less than in any year since 1900, this being due to the depression and to reductions in income which caused travelers desiring to economize to take advantage of low rates made by the railways for travel in coaches and by buses on the highways. The decline of travel in sleeping cars raises a serious question, as the *Railway Age* has heretofore indicated, as to whether the railways have not been making greater differentials between their rates for sleeping car and coach travel than has been in the interest of the railways themselves. Under the pressure of reduced earnings the company continued to make substantial economies in operation. At the same time it continued improvements in its equipment which made travel in its cars more comfortable, attractive and safe, and which therefore must tend, as business revives, to attract back to sleeping cars the business that has been lost. Recovery of sleeping car traffic also undoubtedly would be aided by reductions of the differentials between railroad fares for travel in coaches and in sleeping cars.

The report shows a consolidated net loss of $3,834,725, as compared with total earnings from all sources of $2,378,632 in 1931. The year 1932 was the first time in nearly two-thirds of a century that the Pullman carrier business was operated at a loss, resulting from unparalleled contraction in passenger travel. In spite of this loss, dividends totaling $11,460,540, or at the rate of $3 per share, were maintained during 1932. The consolidated net loss and the payments of dividends necessitated a draft of $15,295,265 on surplus from previous years. The surplus as of December 31, 1932, amounted to $74,765,122.

The earnings from the Pullman Company, from all manufacturing properties, from the Pullman Railroad, from miscellaneous properties and from security investments, after deducting all expenses incident to operations, showed a profit of $8,924,592, this profit being converted into a loss of $3,834,725 after charging depreciation amounting to $12,759,317.

Among the economies instituted during the year were a 10 per cent reduction in wage payments to employees of the carrier subsidiary effective February 1, 1932, and similar or larger reductions for the remaining personnel in other branches of the company's operations. In the manufacturing subsidiaries, a large part of the stand-by organization is on half time or less and all plants and offices are operated on a five-day week plan or less with proportional pay.

During 1932, there were gross additions of $2,100,967 to property and equipment. This includes $763,088 for air conditioning equipment and $120,804 for routine additions and betterments in cars, $953,812 for 35 steel cars rebuilt and revalued, $112,536 for improvements at laundries, shops, district offices, etc., and $150,727 for improvements at manufacturing plants.

Besides these additions to properties, the Pullman Company was especially active in redesigning equipment to meet the demands of changing traffic conditions. Among the developments in 1932 were a further application of air-conditioning equipment to sleeping cars; the enclosed or Bradish section, in which permanent head boards extend along the sides of the seats in the standard section and behind which are concealed permanently-located curtains, which may be drawn if the patron desires privacy; the four-position seats, which are so constructed that they can be shifted into any one of four different positions for day riding; the "Duplex" car with two single rooms on the ground floor and two more upstairs; and upper berth improvements, which include a platform on which the passenger may stand while dressing, a fixed stairway that enables him to ascend and descend without the porter's assistance, and a dormer window that not only enables the occupant to look out but also permits of ventilation to his taste.

Traffic and operating statistics of the Pullman Company for 1932 show a total of 9,279 cars owned, as compared with 9,483 in 1931 and 5,693 operated, as compared with 7,402 operated in 1931. Car-miles dropped from 1,025,164,501 in 1931 to 799,484,608 in 1932 and revenue passengers from 22,984,921 in 1931 to 15,749,507 in 1932. While the average revenue per passenger increased from $2.77 in 1931 to $2.81 in 1932, the average net revenue per passenger resulted in a loss of 8 cents, which was reflected in a loss of 59 cents in the average net revenue per car per day. The average mileage per car operated increased from 138,496 in 1931 to 140,438 in 1932, but the average journey per passenger decreased from 430 miles in 1931 to 429 miles in 1932 and the average loading per car from 9.65 passengers in 1931 to 8.45 passengers in 1932. The average miles per car per day increased from 379 in 1931 to 384 in 1932.

The consolidated income account as of December 31, 1932, in comparison with 1931, follows:

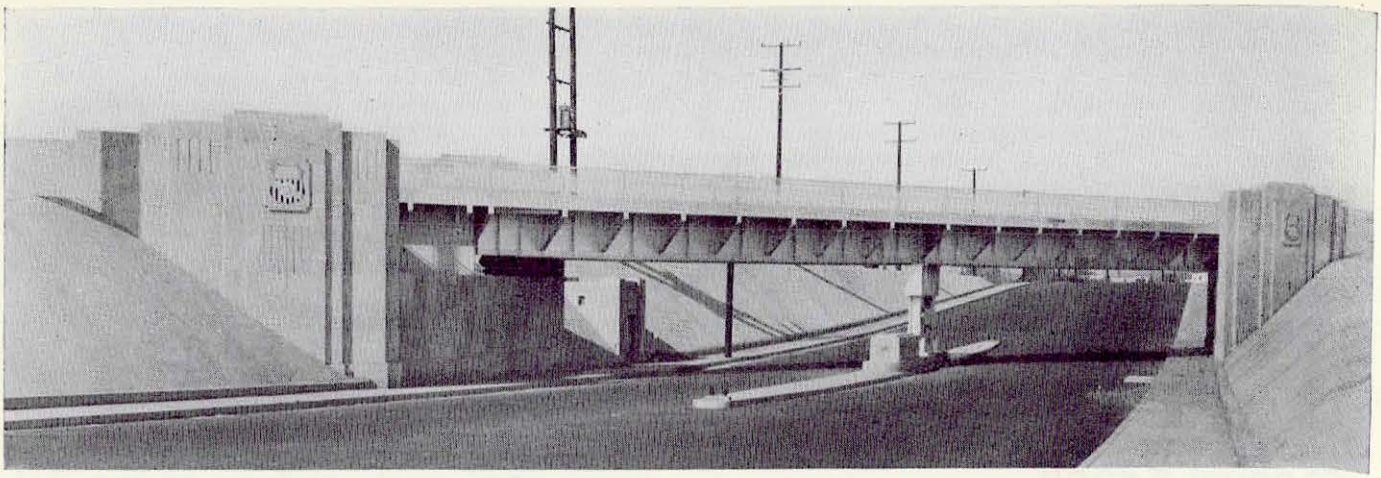
| | 1932 | 1931 |
|---|---|---|
| Earnings: | | |
| From carrier business of The Pullman Company, after deducting all expenses incident to operations | $8,773,520 | $13,783,363 |
| Less: | | |
| Charges and allowances for depreciation | 9,993,554 | 10,519,744 |
| | $1,220,034* | $3,263,619 |
| From all manufacturing properties, Pullman Railroad and other miscellaneous properties, after deducting expenses incident to operations | $1,309,067* | $484,477 |
| Less: | | |
| Charges and allowances for depreciation | 2,765,763 | 2,824,652 |
| | $4,074,830* | $2,340,174* |
| From security investments, etc. | $1,460,140 | $1,841,287 |
| Total earnings from all sources | 3,834,724* | 2,764,731 |
| Less: | | |
| Reserve for Federal income tax | ..... | 386,099 |
| Balance of Earnings | $3,834,724* | $2,378,632 |

Note: * Loss.

In a statement to stockholders, President David A. Crawford, said:

The year 1932 witnessed a decline in railroad passenger traffic to a level below that for any previous year since 1900, and a concurrent shrinkage in the volume of Pullman travel to the lowest level since 1909. This reflects the realities of a depression which has severely contracted the spending ability of the American traveling public. Travelers bent on economy

(*Continued on page 514*)

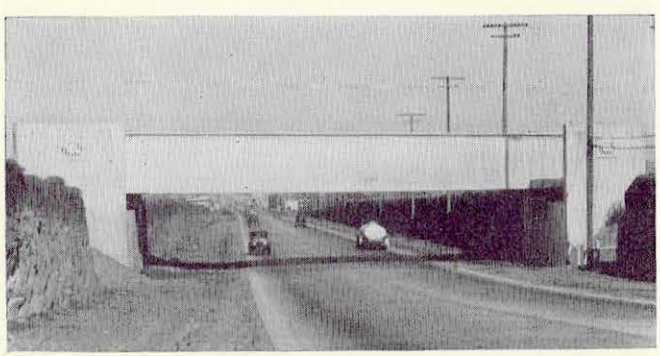


The Santa Fe Avenue Grade Separation Structure Consists of Two Deck Plate Girder Spans with a Center Pier

# Builds Cutoff to Take Traffic From City Streets

## Project of the Los Angeles & Salt Lake at Long Beach, Cal., involved the construction of 7.58 miles of new line and six highway subways

A SINGLE-TRACK cutoff, 7.58 miles long was completed recently by the Los Angeles & Salt Lake around the city of Long Beach, Cal., to permit it to abandon and take up approximately four miles of the original line which passed through the heart of the city and extended along important streets at grade. Long Beach is located on the Pacific Coast about 22 miles directly south of Los Angeles and somewhat to the east of the Los Angeles and Long Beach Harbor District. The line in question is a branch line, known as the San Pedro branch, extending from Los Angeles through Long Beach to the coast and thence west about five miles to the East San Pedro passenger station at the entrance to Los Angeles inner harbor, which is the terminus of the line. In Long Beach, the old line extended southerly along California and Alamitos avenues through a residential neighborhood for a distance of about three miles. At the junction of Alamitos avenue with Ocean avenue near the shore, the line turned west in the latter thoroughfare which for some distance is a semi-business street paralleling the shore.



The Cutoff Is Carried Over Atlantic Boulevard on a Through Plate Girder Span

In seeking a remedy for the undesirable conditions imposed by the situation, the construction of a cutoff around the city offered many advantages as compared with a grade separation program. Ready access to the harbor district and present freight station at the westerly edge of the city of Long Beach from a point on the railroad north and east of the principal part of the town is provided through a strip of thinly settled territory containing few streets. Moreover, further extensive development of the city to the west is precluded by the presence of the City of Los Angeles classification yard and extensive harbor facilities. Thus, the situation offered a natural path through and around the city where the requirements for grade separation would be a minimum. It was also possible to incorporate as a part of the relocated line an existing spur track, 1.5 miles long, which extended north from the west leg of the branch at a point about two miles from the terminus.

### Location of Cutoff

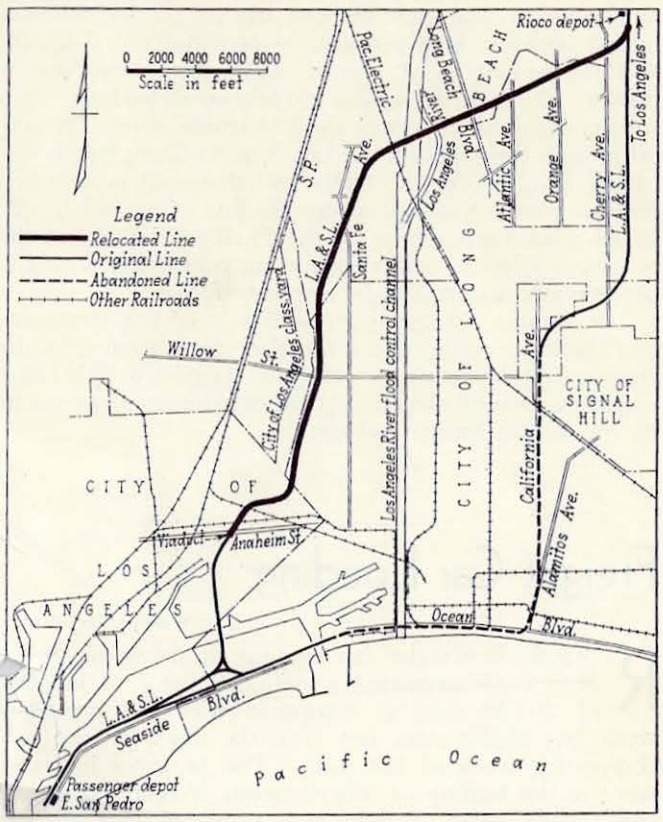
The relocated line connects with the original line at Rioco, a point on the San Pedro branch about 14 miles south of Los Angeles. It extends in a southwesterly direction about three miles to a point beyond the western city limits of Long Beach, where it turns generally southward to a connection with the existing track mentioned previously. The alinement, which has a maximum curvature of 6 deg., is dictated in large part by the shape and location of the city of Los Angeles classification yard, which lies in a north and south direction along the western edge of Long Beach. The project also included

of a passing track 5,000 ft. in length. features of the ground along the aline- utoff in themselves imposed no grading moment, the profile of the ground line descending grade to the south averaging about per mile. However, the necessity for gaining ient elevation to carry the railroad over high-speed heavy-traffic boulevards, with the requisite clearance added considerably to the grading requirements, the highest embankment having a height of 31 ft. The grading included 618,587 cu. yd. of embankment and only 4,093 cu. yd. of roadbed excavation. The largest portion of the borrow, aggregating 499,492 cu. yd. of material, was obtained from excavation for a new flood control channel for the Los Angeles river, while 114,827 cu. yd. consisted of material excavated where highways were depressed for underpasses. Gasoline-powered shovels and draglines were used by the contractors in excavating material for the embankment, this material being hauled by a fleet of from 40 to 60 five-ton trucks.

### Six Grade Separations

The cutoff intersects several arterial highways radiating from Long Beach and it was necessary to construct grade separations at six of these locations, the highw being carried under the railroad in all cases. Th the highways involved have four traffic lanes each, at the other three locations it was necessary to provi lateral clearances sufficient to permit of the futu widening of the present paved roadways. The subwa structures are located at Cherry avenue, Orange avenue, Atlantic avenue, Long Beach boulevard, Santa Fe aveune and Willow street, which are in the order named, beginning at the north end of the line. At Willow street and Long Beach boulevard the railroad is carried across the highways on single pony-truss spans; at Cherry, Orange and Atlantic avenues the spans consist of through plate girders; and at Santa Fe avenue two deck plate girder spans with a center pier are provided. All spans are supported on concrete substructures and in each case the architectural treatment is such as to present a highly pleasing appearance. The cutoff enters the Wilmington section of the Harbor district by passing under a concrete viaduct previously constructed to carry Anaheim street over Dominguez slough and the tracks of various railroads.

At no grade separation do the railroad and highway cross each other at right angles and as a consequence all the structures are skewed, the angle of skew ranging from 84 deg. 36 min. at Long Beach boulevard to 36 deg. 37 min. at Santa Fe avenue. Because of the unstable character of the soil at Santa Fe avenue it was necessary to cover the sides of the cut carrying the highway with concrete slope paving to prevent erosion. A sidewalk on each side of the highway was also provided at this location. At all grade separations except the Long Beach Boulevard structure, the street grade was



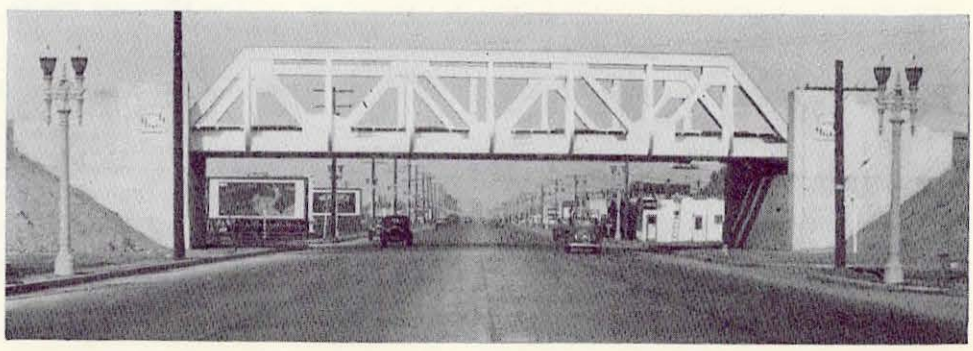

Map Showing the Relation of the Cutoff to the City of Long Beach and to the City of Los Angeles Harbor Facilities

depressed in amounts ranging from 2.16 ft. at Cherry avenue to 17.64 ft. at Santa Fe avenue. Electrically-operated pumps for removing water from the subway were provided at Santa Fe avenue. The cutoff embraces only two street crossings at grade.

### Bridge Over Flood Control Channel

The longest structure on the cutoff is a deck plate-girder bridge, comprising eleven 70-ft. skew spans on concrete piers and abutments, which crosses the new Los Angeles River flood control channel. This structure is built on a grade of 0.7 per cent, the heaviest grade on the line. The line crosses a branch of the flood control channel on a seven-span pile trestle 105 ft. long. Other drainage structures include eight reinforced concrete box culverts of the following dimensions: Four 10 ft. by 10 ft.; one 8 ft. by 4 ft.; and three 6 ft. by 4 ft. Forty-six corrugated iron pipe culverts, in diameters from 12 in. to 48 in., were also installed under the fill.

The line is laid with second-hand 100-lb. R. E. rail in the main track and second-hand 90-lb. A. R. A. rail in the passing track. The crossties are of hewed and sawed Douglas fir and Oregon pine, treated with creosote-petroleum mixture. All bridge ties were painted



View of the Pony Truss Span on Which the Cutoff Is Carried Over Long Beach Boulevard

and sanded. The main track is laid on a standard 8-in. ballast section. Rail anchors are provided on all grades and rail braces on all curves, while inside steel guard rails of 100-lb. R. E. section are laid on all bridges. Two solid-manganese crossings were provided where the cut-off crosses the double-track Los Angeles-Long Beach line of the Pacific Electric, while two three-rail type bolted crossings were installed where the line is crossed by the single-track harbor lines of the Pacific Electric and the Southern Pacific. All trackwork in connection with this project was undertaken by company forces.

The location of the line, the design of the structures and the supervision of construction were handled by the engineering department of the Los Angeles & Salt Lake, under the general direction of the engineering department of the Union Pacific System.

# Freight Car Loading

WASHINGTON, D. C.

REVENUE freight car loading in the week ended March 25 amounted to 475,850 cars, an increase of 26,138 cars as compared with the preceding week but 85,268 cars less than the total for the corresponding week of last year. The principal increases were in the loading of miscellaneous freight, grain, and coal, while grain loading also exceeded that of last year by 4,093 cars. The summary, as compiled by the Car Service Division of the American Railway Association, follows:

**Revenue Freight Car Loading**

Week ended Saturday, March 25, 1933

| Districts | 1933 | 1932 | 1931 |
|---|---|---|---|
| Eastern | 107,895 | 128,587 | 166,378 |
| Allegheny | 86,333 | 111,984 | 153,081 |
| Pocahontas | 30,109 | 37,788 | 43,101 |
| Southern | 79,790 | 88,673 | 123,579 |
| Northwestern | 56,812 | 64,193 | 84,334 |
| Central Western | 70,650 | 81,948 | 105,261 |
| Southwestern | 44,261 | 47,945 | 63,146 |
| Total Western Districts | 171,723 | 194,086 | 252,741 |
| Total All Roads | 475,850 | 561,118 | 738,880 |
| Commodities | | | |
| Grain and Grain Products | 31,200 | 27,107 | 36,915 |
| Live Stock | 15,034 | 16,195 | 19,402 |
| Coal | 90,558 | 117,122 | 126,231 |
| Coke | 4,163 | 5,221 | 6,992 |
| Forest Products | 15,717 | 20,307 | 34,794 |
| Ore | 2,249 | 2,981 | 6,184 |
| Mdse. L. C. L. | 154,976 | 185,343 | 222,357 |
| Miscellaneous | 161,953 | 186,842 | 286,005 |
| March 25 | 475,850 | 561,118 | 738,880 |
| March 18 | 449,712 | 584,759 | 741,253 |
| March 11 | 437,813 | 575,481 | 733,580 |
| March 4 | 477,827 | 559,479 | 723,215 |
| February 25 | 459,079 | 535,498 | 681,221 |
| Cumulative total, 12 weeks | 5,709,679 | 6,790,829 | 8,644,258 |

## Car Loading in Canada

Car loadings in Canada for the week ended March 25 amounted to 35,532 cars, which was a decrease of 354 cars from the previous week's total, and the index number dropped from 60.06 to 59.28.

| | Total Cars Loaded | Total Cars Rec'd from Connections |
|---|---|---|
| Total for Canada: | | |
| March 25, 1933 | 35,532 | 16,418 |
| March 18, 1933 | 35,886 | 16,581 |
| March 11, 1933 | 34,371 | 15,769 |
| March 26, 1932 | 38,667 | 23,847 |
| Cumulative Totals for Canada: | | |
| March 25, 1933 | 396,215 | 204,237 |
| March 26, 1932 | 493,942 | 258,872 |
| March 21, 1931 | 558,420 | 332,408 |

# Missouri Pacific to Reorganize Under New L

FIRST action under the terms of the recently federal bankruptcy law, permitting railroads in tress to attempt reorganization instead of waiting to be forced into eventual bankruptcy, was taken by the Missouri Pacific Railroad Company on March 31, when it filed in the federal court at St. Louis, Mo., a petition for reorganization to prevent a receivership, stating that it owed $40,589,330 due on April 1 and within 30 days, and was without funds to pay the obligations. On the same day, Judge C. B. Faris issued an order approving the petition and directing that the present management continue to operate the property, pending further order of the court. A statement issued by President L. W. Baldwin to officers and employees stated that the property would continue to be operated as at present.

Similar petitions were filed for the New Orleans, Texas & Mexico and the International-Great Northern, subsidiaries, and similar orders were issued by Judge Faris regarding them. The Texas & Pacific, an affiliated [illegible] and the Denver & Rio Grande Western, in which Missouri Pacific has a half interest, were not named. [illegible]nability of the road to meet bond maturities, interest nd taxes within the next month necessitated reorganiza-on, according to the voluntary petition of the railroad. n its petition, the railroad listed the following obligations which would have to be met: Principal, interest and obligations which constitute a lien on the company's property due May 1, totaling $38,183,918; interest aggregating $1,110,411 due April 1; and taxes on property due April 10, totaling $1,295,000. The petition recited the inability of the road to discharge these obligations as they mature and its belief that it has no means of borrowing or otherwise procuring funds therefor. The road has borrowed $23,134,800 from the Reconstruction Finance Corporation.

The granting of the petition was one of the speediest actions of its kind ever taken, Judge Faris making his decision immediately after reading over the formal application. The court's order directed that the present management remain in control as trustees for the creditors and stockholders and requires the railroad to file within 40 days a complete statement of its assets and liabilities as at the close of business on March 31, and that thereafter certain statements be filed on the last day of each month showing the revenues and expenses of the preceding month.

Under the terms of the Bankruptcy Act, the railroad can now attempt a reorganization of its financial structure under more satisfactory terms than were previously possible. The plan, when finally drafted, will be submitted to the Interstate Commerce Commission for approval and to the court and at least two-thirds of each of the different classes of creditors must accept it.

The Missouri Pacific, in addition to being the seventh largest system of the country, is a unit in the Van Sweringen railroad group. The Missouri Pacific operates 7,437 miles of line, extending from St. Louis, Mo., to Pueblo, Colo., and Omaha, Neb., and from St. Louis to Alexandria, La., and Marshall, Tex.; the International-Great Northern operates 1,160 miles of line, extending from Longview Junction, Tex., to Laredo, and from Houston to Ft. Worth; and the New Orleans, Texas & Mexico operates 1,922 miles of line between New Orleans, La., and Brownsville, Texas.

The filing of petitions seeking a reorganization, at the

(*Continued on page 514*)

# Railroad Plan Nears Completion

## Federal "co-ordinator" plan expected to be included in program now in stage of final drafting

WASHINGTON, D. C.

FACED with opposition from representatives of shippers and the railroad labor organizations, which may be expected to crop up again in Congress, President Roosevelt's plan for legislation for the appointment of a federal railroad co-ordinator, with regional assistants, reached the stage of final drafting this week and was expected to be submitted to Congress in a message early next week. Secretary Roper, of the Department of Commerce, expected to have the final plan ready for consideration by the Cabinet at its meeting on Friday and was to discuss it with the President before that time, together with the proposal for concentrating all federal transportation regulation in the Interstate Commerce Commission.

It has been definitely established that the idea of making the Interstate Commerce Commission a part of any executive department, such as the Department of Commerce, is no longer contemplated by the administration, if it ever was seriously considered, and that the plan for creating co-ordinators will be tied in with the commission. The co-ordinator plan is designed chiefly as an emergency measure and the program includes other features. At a hearing before the Senate committee on interstate commerce on Wednesday on the recapture and so-called "holding company" bills, Chairman Dill said that both bills would be included in the "big bill" to come from the White House, but that he desired to have members of the committee familiarize themselves with them in advance.

Intended to improve the railroad earnings situation and afford greater certainty of a continuation of adequate service by reducing some of the expense involved in "over-competition" among railroads, the plan has encountered objections by shippers who fear it will result in too great curtailment of competitive service, while the labor organizations fear that it will tend to further reductions in employment in the name of economy and have demanded that before any national program of co-ordination or consolidation is adopted the government should first take over control of the railroads.

Railroad executives, with characteristic reticence, have refrained from public comment during the negotiations, but it is understood they are prepared to "go along" with the plan and are congratulating themselves that some of the more radical plans that have been suggested have not been adopted, while seeing some advantageous possibilities in it. Just how far the President will go in his message to Congress, or how much other transportation legislation will be included in his program for this session is not yet clear, but it is understood that all plans for wholesale consolidation or regrouping the railroads have been set aside as not adapted to the present emergency, and that some of the fears expressed on other grounds may prove to have been exaggerated. The term "dictatorship" is believed to be too strong for what is contemplated, although it is likely that rather broad emergency powers will be conferred upon the co-ordinator which will affect rates as well as service. An appeal to the Interstate Commerce Commission may be provided for and it has been suggested that the co-ordinator might be a member of the Commission.

One explanation offered as to the purpose of the plan stated that the railroad officers concede that a good deal of excessive or "cut-throat" competition has been developed which might be eliminated in a way to save many millions of dollars and that the present surplus of facilities has induced carriers to make concessions to shippers, who play one railroad against another, in the form of allowances or accessorial services rendered by railroads that the shippers ought to pay for. It is also believed that there may be some elimination of unnecessary service, including some passenger trains. It is the idea that the government may be able to act where the carriers and the shippers have been helpless to correct such situations either by taking the initiative or by furnishing the necessary power or relief from present legal restrictions. In this connection it is expected that greater use will be made of the pooling provision in the present law.

Such a plan would mean that some railroads would be expected to undergo financial reorganization under the recent new law, whereas the Prince plan would postpone for two years the question as to whether a reorganization of individual companies was necessary by providing for a guarantee of fixed charges for two years. After two years it provided that a railroad whose share of the total income of its system was less than 80 per cent of the amount needed to pay fixed charges would be required to undergo reorganization.

Final drafting of the proposed legislation is largely in the hands of Commissioner Eastman and Dr. W. M. W. Splawn.

An opportunity for an expression on the principal proposals was afforded representatives of the various interests concerned at a general conference at the White House on Saturday, April 1, and another at the office of Secretary Roper of the Department of Commerce on Monday, April 3, after which a final report was to be submitted to the President.

### Four Plans Considered

Four plans that have been under consideration for several weeks were brought together at the conference with President Roosevelt on Saturday attended by representatives of the President and others who have been working with them in an effort to develop a satisfactory plan, of the railroad executives, the railroad security owners, the railroad labor organizations, and associates of F. H. Prince. These plans, it was stated later by Secretary Roper, included the Prince plan for leasing the railroads of the country to seven more or less regional but broadly competitive operating companies with a view to complete consolidation within 15 years, and three varieties or degrees of the plan for setting up a federal co-ordinator with regional assistants. It had been stated that this would be the President's first opportunity to go over all the various plans together but Secretary Roper, who acted as spokesman to the press afterward, said

there had been no discussion and that the plans were simply laid before the conferees for study before another meeting and that conferences on them would be resumed at his office on Monday at which others not present would be heard before there was any crystallization of a final plan.

He referred to the "co-ordinator plan," which it is understood was originated by Prof. A. A. Berle and representatives of the security owners, to a "modified co-ordinator plan," which is taken to represent the recent work of Commissioner Eastman and others, and to another modification suggested by the railway executives, whose committee had been in frequent conference with the President and his advisers on the subject during the preceding two weeks and had twice reported back to the advisory committee of the Association of Railway Executives. From other sources it was learned that most of the hour devoted to the conference was taken up by an analysis of the Prince plan by Commissioner Eastman, who had been asked to report on it, and he is said to have pointed out that it would involve an outlay by the government which might reach nearly $2,000,000,000 in the form of loans to make good the proposed guarantees of fixed charges for two years by the operating companies and the proposed payments to employees who would be furloughed as an incident to the curtailment of competitive service.

Those who participated in the conference with the President were: Madam Secretary Perkins, of the Department of Labor; Secretary Roper, Commissioner J. B. Eastman, of the Interstate Commerce Commission; Dr. W. M. W. Splawn, special counsel for the House committee on interstate and foreign commerce; Prof. A. A. Berle, Jr.; Carl Gray, president of the Union Pacific; J. J. Pelley, president of the New York, New Haven & Hartford, and F. E. Williamson, president of the New York Central, the "contact committee" for the railroad executives; Henry Bruere, on behalf of the Mutual Savings Banks Association; Major F. N. Oliver, counsel for the association; Prof. Raymond Moley, Assistant Secretary of State; F. H. Prince, Boston, Mass.; Philip Stockton, president of the First National Bank, Boston; Robert Jackson, secretary of the National Democratic Committee; A. F. Whitney, chairman of the Railway Labor Executives' Association, and Donald R. Richberg, counsel for the labor association. Mr. Richberg had been quoted as saying he had declined to participate in earlier conferences on any plan that contemplated a further reduction in railroad employment, although he had been at the White House to inquire as to the status of the plans. The Prince plan specifically contemplates a reduction of the railroad labor force by some 300,000 employees and any plan of reducing competitive service would of course tend in the same direction to some extent.

Approximately two-thirds, or about $500,000,000, of the estimated savings under the Prince plan would come out of the payroll, although it was suggested that about half of that amount be paid by the Treasury to furloughed employees. On the other hand advocates of the Prince plan had argued that the position of labor under any plan of government operation now would be far different from that in 1918 and 1919 when there was a great demand for labor.

### Labor Organizations Protest

The Railway Labor Executives' Association had met in Washington on March 30 and issued a statement announcing "unyielding opposition to every program for increasing unemployment and destroying purchasing power by either reducing work or cutting wages." "Every measure of so-called 'economy' which reduces the total income of the wage earners," they said, "brings nearer the day when millions of dispossessed, destitute, and desperate people will be goaded into seizing the food, clothing and shelter to which they have a right by the supreme law of self-preservation. . . The government should borrow from those who will lend and take from those who will not lend, all the money necessary to put millions of men to work now. Railroad owners are now proposing to deprive thousands of communities of service, to deprive several hundred thousand workers of work and wages, to destroy billions of dollars in property value in order that they may make unjust profits out of a consolidated monopoly of main-line railroads. The people will not tolerate a private monopoly of railroad transportation under any dictatorship subservient to Wall Street bankers. If the days of competition are ended, then the only monopoly control which the people will tolerate is actual and direct control by the government."

The general conference was resumed on Monday with the committee consisting of Secretary Roper, Commissioner Eastman and Dr. Splawn, after which a statement was issued from Secretary Roper's office giving the following account of the proceedings:

First, the representatives of shippers presented their views.

William Watts, representing the National Industrial Traffic League presented a statement in which he insisted on the preservation of competitive conditions and in opposition to regional consolidation.

Col. A. B. Barber presented the statement of the board of directors of the United States Chamber of Commerce, which had been adopted last week.

Thomas Creigh, counsel for some of the packing interests, stated that shippers were glad to cooperate in working out the problems arising from the present emergency.

Donald Richberg, counsel for the railway labor organizations, presented very fully the views of those organizations, urging a constructive attack upon the problem of economic recovery in connection with any defensive measures which might be thought desirable.

Fred N. Oliver reiterated the views which have been expressed by Henry Bruere, president of the Bowery Savings Bank, on behalf of the Mutual Savings Banks Association. He was joined by William Guild Taussig and others who made brief statements in behalf of groups of investors.

Mark Potter expressed appreciation for the consideration which had been given to the views of Frederick Prince.

Clarence A. Miller, representing the American Short Line Association, representing 12,000 miles of independently operated short lines, spoke on behalf of those lines.

Messrs Gray, Pelley and Williamson, along with other representatives of railway executives, set out their views with reference to the necessity of effecting all possible economies consistent with just and responsible service to the public.

The views of the various parties were presented to a committee of three, viz: Daniel C. Roper, Secretary of Commerce; Joseph B. Eastman, Interstate Commerce Commission, and W. M. W. Splawn, authority on transportation economics.

A. F. Whitney, president of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, David L. Behncke, president of the Air Line Pilots Association, Chicago, Ill., and Edward G. Hamilton, executive representative of the Air Line Pilots Association, Washington, D. C., were also present.

The purpose of the meetings was to provide the committee with full information in connection with its consideration of the coordination of transportation facilities and specific remedial legislation.

Others present, who, it is understood, made no statements, were: Charles Donnelly, president of the Northern Pacific; L. F. Loree, president of the Delaware & Hudson; Charles Hansel, consulting engineer; Horace E. Herr, secretary, National League of Commission Merchants; A. Lane Cricher, chief, transportation division, Department of Commerce; Alexander H. Elder, general solicitor of the Central of New Jersey; H. G. M. Kelleher, J. W. Barriger and R. W. Jackson, representing Mr. Prince; R. V. Fletcher, general counsel of the Association of Railway Executives; Henry W. Clark,

vice-president and general counsel of the Union Pacific; George P. McNear, Jr., president of the Toledo, Peoria & Western; and George R. Loyall, receiver of the Norfolk Southern.

### Labor Organizations Demand Work Program Or Government Control

Before the general conference Mr. Whitney and other labor representatives met with Secretary Roper and presented a memorandum as to their position in part as follows:

The first requirement in any program for consolidating or coordinating railroads into a transportation system of maximum efficiency is universal compliance with the Railway Labor Act, which requires carriers to recognize the right of employees to organize themselves and to designate their representatives for collective action without interference, influence or coercion by their employers.

Adequate and lawful employee representation cannot be provided unless the federal government, as a part of any legislation, is empowered to compel, and does compel, the carriers to comply with the law and to cease interferences with employee self-organization and designation of representatives of their own choosing.

The recent unlawful wage deductions attempted by the Rock Island Lines and the Illinois Central are significant examples of railroad management policies toward employee representation and employee rights, which will make impossible any genuine program of coordinating or unifying railroad operations without widespread and intolerable disregard of employee interests and consequent chaos in labor relations unless the right of employee representation is absolutely enforced by exercise of governmental authority.

Any coordination or consolidation program of wide extent as yet proposed will insure increased unemployment to the extent of from 50,000 to 350,000 railway employees. Therefore, unless the government is prepared to assume the responsibility for supporting these additional unemployed and their dependents, the government cannot justify federal assistance in creating this additional unemployment in the name of "economy."

If any coordination or consolidation program is to be approved it must provide for the creation of additional employments to absorb the workers displaced. Two measures accompanying or preceding any "economy" program of coordination would aid in meeting this need:

(a) A huge program of public works would inevitably increase traffic on the railroads and could be promoted to such an extent as to provide work for more men than would be displaced in the coordination of operations.

(b) Because of deferred maintenance, railroad properties now require extensive rehabilitation, which, together with practical and profitable reconstruction work, modernization and improvement of railroad facilities for service, would justify the expenditure of at least $1,000,000,000 during a period of coordination of operations, which would also increase employment on the railroads and in allied industries, substantially increase mass purchasing power and increase traffic on the railroads.

(c) As a part of or supplemental to a public works program, the rehabilitation of industrial plants and large and small facilitics of production and distribution would provide an object of useful expenditures which, it has been estimated, could exceed $2,000,000,000.

Any program designed to produce economies in railroad operations must include definite and mandatory provisions for reducing the capital obligations of the railroads, particularly the fixed obligations of interest on funded debts, obligations of leases whereunder bond interest and stock dividends are guaranteed, directly or indirectly, and other fixed charges which now burden the railroads with financial obligations which cannot be and should not be met.

There must be adequate consideration for, and protection of, community interests in any program of consolidation or coordination. Drastic and far-reaching changes in the handling of traffic and the maintenance of transportation service will have destructive effects upon thousands of communities of an appalling nature.

If adequate and lawful employee representation is insured as the first essential in any program of coordination or consolidation then provision must be made for protection of the interests of the railroad employees, those now employed, those employed on part time and the unemployed, who must be returned to work in substantial numbers in any revival of business.

One principle which must be established and maintained is that all interests involved—investors, users and employees—must *participate in determining* the management policies for reorganizing and operating a reorganized system of transportation. Another principle is that a choice must be made at the outset between preserving a generally competitive system or establishing a monopoly system. If we can no longer pay the price of competitive wastes in order to obtain the benefits of competitive initiative and efficiency, then we should face the fact that we cannot compromise with partial competition and partial monopoly; and that a private monopoly of essential public service is intolerable and that when we accept the necessity of a monopolized transportation service we are accepting the ultimate necessity of an ultimate governmental transportation service.

If, as seems to be the fact, we are facing now a breakdown of railroad transportation service and the inability of the railroads to function as a whole adequately in the present crisis, we must face the further fact that there is no agency capable of bringing order out of chaos, of coordinating and unifying operations and maintaining the necessary credit, and providing safe, adequate and continuous transportation service throughout the nation, except an agency created by and directly responsible to the federal government. If the federal government must be made responsible for the maintenance of an adequate transportation service, the federal government must have the power to fulfill that responsibility.

### U. S. Chamber of Commerce Program

A statement of principles that should be embodied in any plan for dealing with the railroad situation, giving due regard to the interests of the public, shippers, railroad security owners and employees, was sent to the President on April 1 by the board of directors of the Chamber of Commerce of the United States and presented at the conference on Monday. The principles outlined call for reasonable government support of railroad credit in the existing emergency; reductions of competitive wastes through cooperative efforts of railroad management and through voluntary consolidation, facilitated by public authorities; recognition of the relationship between wages and adjustment of railroad rates to current economic conditions; and relief of the railroads from hampering regulatory restrictions, involving a number of changes in the transportation act. The statement points out that the railroads have thus far weathered the depression with a very moderate demand upon the Reconstruction Finance Corporation, total net loans being well under 1½ per cent of the carriers' total valuation and only about one-half of their average annual net earnings in the years 1921-1931. The statement also said in part:

"All practicable further economies and improvements in railroad service consistent with the public interest should be applied. Railroad managements are alive to these needs. The Chamber has repeatedly urged that they be relieved of hampering restrictions which interfere. Measures taken should have due regard for the interests of shippers, communities and carriers' employees, as well as railroad security owners, in reasonable maintenance of competitive relationships and the established channels of commerce.

"Elimination of competitive wastes, the possibilities of which have been greatly exaggerated in some estimates, should not be carried so far as to result in impaired service to the shipper or other losses to those affected greater than any resultant savings. Voluntary consolidation, subject to approval of the public authorities, together with cooperative efforts of the carriers, offer the means for a very large part of such competitive waste elimination as is in the public interest. The Chamber has repeatedly urged that public authority permit and facilitate such measures.

"Action of the government to promote these and other improvements in transportation conditions is different in character from the government's quasi-judicial functions respecting railroads, particularly those relating to rates. In any reorganization of federal agencies con-

cerned with transportation these two types of government action should be clearly differentiated and the commission form of dealing with the quasi-judicial problems should be preserved.

"The Chamber's membership has declared that railroad management should make special efforts to accommodate rates to current economic conditions, and that regulating authorities should permit such rates to be promptly effective. If railroads had been permitted to accumulate surpluses in normal times they would now be in a better position to reduce their rates in harmony with present depressed prices and the needs of shippers. But there is another serious obstacle, namely, the independent treatment of railroad wages and railroad earnings. Yet the two are intimately connected, and their relationship should be recognized."

### The Prince Plan

The Prince plan, which apparently had been given serious consideration, was not made public during the period of preliminary discussions but its principal provisions had become fairly well known. It proposed merging all railroads in the United States into seven systems, plus an eighth system which would be jointly owned by two others, in five regions. The Eastern region would have two systems, the North system, dominated by the New York Central, and the South system, dominated by the Pennsylvania, the Southern region would have two, the Southeast system and the Mississippi Valley system, and the three Western regions would have the Northwest system, the Central system, and the Southwest system. The Denver system, No. 8, would be owned jointly by the Northwest and Southwest systems and would include the Denver & Rio Grande Western, the Denver & Salt Lake, the Nevada Northern and the Western Pacific.

Advocates of the plan took the position that this represents the smallest number of systems that will retain competition in each major long-distance channel of traffic within regional groups, but pointed out that if it should be concluded that all competition must be suppressed it would be a simple matter to merge this limited number of companies into a single unit at a later date, and that the seven-system plan is a necessary first step. They contend that the competition that develops service is the rivalry of two carriers at major traffic centers, which would not only be preserved but strengthened through regional consolidation, and the plan would give each of the two Eastern systems a line to Boston, while both Southern systems would reach most of the larger centers in the territory, all three Western systems would reach California, and all systems would protrude into the territory of others more or less. It was argued that the railroads are now faced with "the grim fact that the salvation of all rests on their combined ability to eliminate all forms of competitive waste through consolidated operating activities, in order to produce service at costs which will enable them to continue profitable private operation on a rate level consistent with the trend in commodity prices."

The plan contemplated a lease for 15 years of all Class I railroads to seven operating companies and acquisition of smaller carriers by purchase or exchange of securities. The operating companies would pay as rental for the leased lines a proportion of the system net railway operating income representing their percentage contribution to the earnings, traffic, and valuation of the system as determined by an elaborate formula representing weighted averages covering the 12 years 1921-1932. Net railway operating income would be given 50 per cent weight, gross revenues and freight traffic 30 per cent, and an average of I. C. C. and market valuations 20 per cent weight, and separate weighting factors would be applied for parts of the 12-year period. Adjustments would be made to equalize depreciation and maintenance charges.

For the first two years lessor companies not already in receivership would be advanced any deficiency between their share of the system net and the amount necessary to pay fixed charges and 1932 dividends, the money to be provided by loans from the Reconstruction Finance Corporation to the operating companies. After two years a company whose rental share was less than 80 per cent of its fixed charges would be reorganized to adjust its capital structure to its earning power, but deficits of less than 20 per cent might still be advanced by the operating companies.

Companies having large obligations maturing before June 30, 1934, would be required to obtain consent to extend them for two years but otherwise the operating company would guarantee the principal of maturing obligations of companies whose share of the system net was sufficient to pay fixed charges. The seven operating companies would be expected gradually to acquire the securities of the lessor companies and after 12 years an exchange of securities of the operating companies for those of the lessors would be mandatory with a view to complete consolidation within 15 years. The Reconstruction Finance Corporation would be authorized to purchase 4½ per cent debenture bonds of the operating companies up to a maximum of one-third of the gross earnings of the system companies in 1932, or about $1,000,000,000 in all, to provide funds to meet the guarantee of fixed charges or to purchase securities of constituted companies.

It was estimated that the co-ordination proposed by the seven-system plan would make unnecessary about one-third of the railway employees, of which about a million are now in service, but it was suggested that those furloughed as a result of the co-ordination, pending a return of traffic, be compensated at the rate of one-half to two-thirds of the average monthly rate, the compensation to be paid by the government but one-half of it to be repaid by the operating companies in 10 annual instalments.

Proponents of the plan contemplate reductions in rates but no decrease in revenues, on the theory that lower rates will stimulate traffic, and have estimated the savings in expenses at $743,489,000 on the basis of 1932 figures, which they believe would make possible a net railway operating income of about $1,000,000,000, or a return of 4 per cent on property investment and an early general resumption of dividend payments. An engineering and operating survey of the individual systems is now being made to develop the economies in detail. The estimate given is based on indications from the work already accomplished.

It was proposed that the President invite the executives of Class I railroads to cooperate to put the plan into effect but that if they do not achieve the desired result within a reasonable time that he request Congress to make the plan compulsory. A brief outline of the fundamental principles of the Prince plan was given by John Barriger, speaking for F. H. Prince, as follows:

"A railroad which offers a competitive service at a standard rate between competitive points must maintain and operate elaborate plan facilities which at the present time can handle a greatly increased volume of traffic at a very nominal increase in operating expenses. This is the basis of the oft-repeated statement of railway executives that a moderate improvement in business will enable them to earn their fixed charges. Unfortunately

the economic structure of the country is so interrelated with railroad credit that this improvement in business cannot occur until after the railroads commence to cover their charges. However, while the great trunk lines can look forward to no traffic increase from business improvement, this traffic increase, which can be made the source of a substantial net income, can be obtained by diverting the business now moving over the rails of parallel and duplicating lines and the latter retained on a basis adequate for handling the business of communities local to the lines.

"The sum total of the cost of handling the traffic thus relocated, which consists of the increment in expenses on the line on which the movement is concentrated plus the expense of operating the line from which it is taken on a basis commensurate with its requirements, is a substantially lower total than the operating cost of the two lines before co-ordination of traffic. Such a plan to be sound must be adapted to peak traffic movements as well as to depression levels and study of main line capacity of the seven routes indicates that they will be amply able to carry prosperity traffic without congestion, especially in view of the great simplification of terminal operations. These and other basic operating principles are the fundamentals of the Prince plan which, when completed, will represent the most exhaustive survey of traffic and transportation conditions in the United States ever attempted in a single study. The exact rearrangement of through routing, terminal operations, shop work and maintenance of way is being developed in complete detail and indicates the possibility of reducing operating expenses by over $700,000,000 on the basis of 1932 traffic and no change in wage rates.

"It is proposed that operating companies be formed to lease the properties assigned to the several systems and the net railway operating income will be distributed among lessor companies in accordance with the proportionate contributions to the system of elements of earning power, traffic and value as determined by weighted averages over a 12-year period. It should be observed that capitalization is not a factor in determining the proportion of net income assignable to any company and accordingly water-logged companies would not be kept afloat unless the increased net railway operating income was adequate to give them earning power sufficient to cover all or nearly all their charges. Advances to cover moderate deficits might be made by the operating company to prevent financial embarrassment in the few cases where the lessor company's proportion of the income proved inadequate.

"The allocation of lines among the various systems has been arranged to provide two-line competition between the principal cities at the extremities of regions but in the intermediate area competition is eliminated as far as practicable. It is believed that the standard of service for the entire system is definitely established by that developed through the competition over principal long distance hauls."

### Loree Says Roads Could Save $1,462,600,000

Ways of saving $1,462,600,000 in railroad expenses annually were outlined by L. F. Loree, president of the Delaware & Hudson, after the conference on Monday. "Under our present depressed condition, the public should have reduction in both passenger and freight rates," he said, "and I have given thought to how this may be accomplished quickly, avoiding long delays from controversial questions, such as consolidation plans, hearings before committees and commissions, litigation and otherwise, and the embarrassment of a lack of financial resources. First, I may suggest elimination of wasteful practices on the part of the railroads—for competitive reasons—in providing service to the public —which, on account of the depressed condition and high rates, both passenger and freight, are not justified. In these items alone, a conservative figure of annual savings in expense is $600,000,000.

"Again, we have unnecessary rail mileage in operation. We should not hesitate to abandon at least 30,000 miles of unnecessary rail mileage costing $75,000,000 annually to operate. Without embarrassment in handling our present volume of traffic, I estimate that the railroads may save $137,500,000 per year in the reduction of their stock of locomotives and cars due to the fact that a large per cent is obsolete and maintained unnecessarily. In the case of obsolete shop machinery and tools, a saving of at least $50,000,000 per year may be realized by substituting improved up-to-date units. Over a period of time, a further saving of at least $100,000,000 annually may be accomplished in the improvement of grades and alignment, heavier rail and ballast, reduced distances, improvement of terminal facilities and practices, etc., upon the 26,000 miles or 10 per cent of the total upon which one-half the business is done. Another $100,000,000 per year, conservatively estimated, may be saved through revision of working agreements with various branches of railroad labor.

"Taxation is and has been a stone around the neck of the railroads. We must look to a reduction all along the line, and estimated at 25 per cent, it would mean a saving of $90,000,000 per year.

"While I have enumerated many items of possible and immediate savings, I have not included all. There are many others, such as valuation expenses, depreciation charges, restrictive laws including automatic train control, full crew and train limit laws, non-productive property changes, land grants, etc., which with proper cooperation on the part of both the railroads and the public authorities may be developed into an actual saving conservatively estimated at $282,100,000 annually. Of the above estimated annual saving of $1,462,600,000, which is after interest on the additional capital expenditures necessary to realize such savings, all but non-productive property changes ($45,000,000) will be beneficial to the income account. Eliminating this figure gives an estimated annual saving of $1,417,600,000.

"If the very large savings listed above were made effective, enough could be at once realized to insure that the net income of Class I railroads for 1933 would be changed from a red figure of $153,000,000 to a black figure of large proportion.

"The total outstanding capital stock of Class I railroads is approximately $8,270,000,000. Five per cent dividends on this stock would amount to $413,500,000, leaving a balance of $851,100,000 when the latest saving of $1,462,600,000 was realized. These estimated excess earnings would permit the elimination of the present 'emergency freight charges,' netting annually approximately $61,600,000, leaving a balance, which might be used for such improvements as are necessarily chargeable to surplus for development and strengthening of the significant parts of the properties, applying in the reduction of passenger fares and freight rates something like $700,000,000."

Another Prince plan was submitted to Secretary Roper on April 5 by Theodore Prince, of New York, similar to one he had proposed before the Senate committee in 1919, suggesting the creation of a federal railroad corporation, stock in which would be held by the various railroad companies and which would be managed by directors selected by them but under the supervision of a Secretary of Transportation. This company would

issue bonds which would be backed by the government and would be tax-exempt. The plan also proposes a rearrangement of the functions and duties of the Interstate Commerce Commission to transfer to the secretary the executive and administrative functions and leave the commission judicial and quasi-judicial jurisdiction. Mr. Prince said the plan would be embodied in resolutions to be introduced by Representative Celler, of New York.

## Missouri Pacific to Reorganize Under New Law

(*Continued from page 508*)

request of the road's directors meeting in Cleveland, Ohio, followed the filing of suits on March 28 by attorneys representing several hundred shippers. These suits, based on claims for more than $3,000,000 which the shippers contend is due them in refunds for overcharges plus interest from 1905 to 1913, when a state law increasing rates was being contested, seek the restoration of the receivership which prevailed from 1915 to 1917. A statement, released by the Missouri Pacific on March 29 relative to these proceedings pertaining to the old receiverships of the Missouri Pacific Railway and the Iron Mountain, follows:

In 1905 and 1907 the Missouri legislature passed some maximum freight rate statutes fixing very low rates on lumber, ties, grain and other such commodities within the state of Missouri. The railroads obtained an injuction in the federal court of Kansas City restraining these rates and were successful in the lower court. An appeal was taken by the state of Missouri to the supreme court of the United States and that court reversed the decision of the lower court and dissolved the injunction during 1913. As a result, numerous claims arose by reason of the charges collected in excess of the statutory rates, pending the injunction.

B. G. Dahlberg, then engaged in the claim business in Minnesota and now connected with the Celotex Company, had made considerable money from claims growing out of the Minnesota rate case, and he combed the state of Missouri, soliciting most of these claims on a 50 per cent contingent basis. These claims, of a face value of approximately $1,000,000, were filed by him in the Missouri Pacific and Iron Mountain receivership proceedings in 1916. From that time to the present, the claims have been in litigation, largely by reason of the contention of the claimants that the overcharges were trust funds for which cash must be paid and that the railroad must render an accounting. Both the district and federal court of appeals have heretofore held against this contention.

Many of the records of the carriers and the shippers have long since been destroyed and the bulk of the claims cannot be proven up under the ordinary rules of evidence. Claims that have been itemized and properly filed approximate, without interest, about $300,000. If these claims are allowed as preferred obligations, they must be paid in cash by the Missouri Pacific Railroad Company under the terms of the final decree in the old receivership cases. Judge Sanborn and Judge Hook both held that such claims were not preferred and Judge Hitchcock, special master in the receivership case, has recently filed a voluminous report reaching the same conclusion, which report is now pending before Judge Faris on exceptions which were argued during January.

Petition was filed in the federal court at St. Louis on March 28 by counsel for various Missouri overcharge claimants asking for the appointment of a new receiver in the old Iron Mountain and Missouri Pacific receivership proceedings and the return of the property of the Missouri Pacific Railroad Company to the receiver in these old suits.

The present petition is substantially the same as the petition filed by counsel for Dahlberg, whom the present counsel have succeeded, and which was argued and submitted to the federal court for the eastern district of Missouri about six weeks ago.

The present petition was tendered to the court but, as no leave to file had been obtained, argument of right to file same was set by the court on the next law day, which is April 3, when the right of the plaintiff to file the petition will be determined by the court.

The handling of this reorganization plan by the commission will attract considerable interest because of the relations of the railroad company to the Alleghany Corporation, one of the Van Sweringen holding companies.

The petition, copy of which was filed with the Interstate Commerce Commission in accordance with the law, followed the form prescribed by the law, stating that the company was unable to meet its maturing indebtedness and desired to effect a plan of reorganization. It gave a list of the obligations coming due from April 1 to May 1 amounting to $40,589,330, including $1,110,411 of interest, $1,295,000 of taxes and $38,183,918 principal and interest of obligations constituting a lien on the property.

In making public the Missouri Pacific petition on April 1 the Interstate Commerce Commission also announced the list of a "standing panel of trustees" which it had selected in accordance with the law and which it had telegraphed to the court the evening before, as follows: C. B. Ames, of Oklahoma City, Okla., president of the American Petroleum Institute; L. W. Baldwin, president of the Missouri Pacific; James C. Davis, of Des Moines, Ia., former director general of railroads; F. F. Faville, Des Moines, Ia.; R. C. Fulbright, Houston, Tex.; Chester I. Long, Wichita, Kan.; C. H. Moses, Little Rock, Ark.; Earl F. Nelson, St. Louis, Mo.; James A. Reed, of Kansas City, Mo., former United States Senator from Missouri; Guy A. Thompson, of St. Louis, Mo.; Huston Thompson, Denver, Colo., former member of the Federal Trade Commission; and George C. Willson, of St. Louis, Mo. The telegram contained the statement that "the present view of the commission" is that the salary of a trustee should not exceed $25,000 a year. The law provides that the trustee or trustees and their counsel shall receive such compensation as the judge may allow within a maximum approved by the commission.

Federal Judge Faris on April 4 over-ruled the motion filed by the shippers. Counsel for the shippers questioned the right of the road to file under the new law and Judge Faris upheld its right to do so.

## Annual Report of Pullman, Inc.

(*Continued from page 505*)

have sought the lowest-cost transportation available, resulting in much necessitous patronage of railroad coach and of highway vehicles, with resultant lessened usage of the Pullman services and general lowering of American standards of travel comfort by rail and of both comfort and safety by use of highway vehicles. This is shown by decidedly smaller loss in volume reported in 1932 for inter-city motor bus and railroad coach traffic. For the latter, transportation has been made quite widely and almost continuously available to the traveling public at rates substantially lower than those charged travelers who wished to use Pullman accommodations. Such new differential rates, in addition to the regular surcharge differential, have been an added and heavy handicap on the sale of Pullman accommodations. These differential rates have met with widespread objection on the part of the traveling public adversely affected thereby and have been opposed by Pullman as unduly repressive of sleeping and parlor car travel.

In the 1931 annual report, mention was made of the activities of your manufacturing and carrier subsidiaries in several years of experimentation with various types of apparatus for air conditioning in railway passenger cars. This experimentation has continued during the past year and there are now in regular service, under special contracts with the railroads to which the cars are assigned, a total of 106 Pullman cars equipped with air conditioning apparatus. The operation of these cars in 1932 was very satisfactory, and the patronage of the traveling public has indicated strong approval of this improvement in rail passenger service. The Pullman Company stands ready to co-operate with the railroads in extending this improvement in rail passenger travel.

# Odds and Ends . . .

### Death from a Trunk

W. H. Roberts, an Illinois Central train baggageman, was killed recently in an extraordinary accident. He was shot through the lung by the discharge of a loaded pistol which was in a trunk that he was handling in the baggage car.

### A Royal Card-Holder

The newest member of the Bulgarian Railroad Engineers' Union is King Boris himself. Formally elected to full membership by the brotherhood, he was called upon by three enginemen at the palace in Sofia for the presentation of his card and the brotherhood pin. The King has long been known as a competent locomotive engineer. He frequently takes the throttle when touring Bulgaria in his special train.

### When Horses Were Railroad Equipment

Although we are unable to recall that the *Railway Age* has ever published any horse advertising, the fact remains that horses were once a necessary part of railroad equipment. Back in 1838, one of the pioneer lines then in operation insisted upon the use of horses in some of its operating rules. For instance, one of the rules read: "When anything shall happen to a train to render assistance necessary, let a brakeman be dispatched to the nearest point of assistance and let him get on horseback as soon as possible." Another rule stipulated: "If at any time a train should not arrive at either depot in one hour from the time of its starting from the other, the master of the depot will immediately start on horseback to learn the cause of the delay."

### Katy Freight Wins Race with Air Express

On the Missouri-Kansas-Texas, where no one will concede even the slightest advantage to any competing form of transportation, they are very proud of a recent incident in which the Katy freight service proved itself substantially superior to air express in speed. It seems that a manufacturer of milk bottle caps in Kansas City, Mo., had a rush order from the Alamo Co-operative Milk Producers' Association at San Antonio, Tex. The first consignment was routed by air express and the second was shipped by freight over the Katy. In spite of the fact that the Katy shipment left Kansas City five hours after the departure of the air express shipment, the Katy delivered the caps in San Antonio seven hours before those which had been sent by air express, proving the railway superior by 12 hr. in speed from Kansas City to San Antonio.

### C. & O. Catches Them Young

The Chesapeake & Ohio is taking no chances on the present younger generation growing up without knowledge of what railroad transportation is. Arrangements were made recently for the use of one of its leading passenger trains as a sort of class room for a group of 43 pupils from one of the public schools in Washington, D. C. The class inspected the train while it was standing in the Washington terminal, before its departure for the West. The school children and their two teachers were taken on a comprehensive inspection tour of the train by the depot passenger agent, who showed them every detail of its operation and equipment. Beginning at the locomotive, they worked back through the mail, express and baggage cars to that particular C. & O. pride, the Imperial Salon car, finishing with an inspection of the dining car. The C. & O. appears to agree that, in the process of educating the public to the comforts and conveniences of rail travel, it is impossible to start too early.

### Another Officer Decorated

The Order of the Purple Heart, established as a military award for meritorious services by General Washington in 1782 and recently revived as a mark of respect to his memory, has been bestowed upon Grove C. Kennedy, superintendent of the Gulf Coast Lines at Kingsville, Tex. Captain Kennedy received the honor for meritorious services at Clermont-on-Argonne while serving with the 13th Engineers. The 13th Engineers made an enviable record in connection with the operation and maintenance of the network of railroads in that vicinity during the Argonne-Meuse-St. Mihiel offensives. Captain Kennedy served during these engagements as superintendent of the 5th District. He was later superintendent of terminals at Verdun during the German drive against that gateway.

### Illustration of Railway Travel Safety, German Style

The German railways have devised a novel means of advertising the safety of travel by railway. In a large placard displayed in Berlin, there is shown a man with white hair and a beard so long that it virtually covers the floor of a passenger car compartment. The inscription reads, "He wanted to be killed in a railroad accident. He will have to travel 100 kilometers (62.13 miles) an hour for 22,800 years in order to accomplish his purpose."

### Investigate Commuters' Bruises

The frequency with which skinned shins, sprained wrists, cracked ribs and bruised elbows are suffered by a large number of its commuters has led the Central of New Jersey to inquire into the reasons for such accidents to its passengers, and to consider a campaign for precaution. Certain broad features of the railroad's survey have already indicated the causes, if not the cure. During the morning rush hour, it has been found, there are two classes of violators of the rules of safety. The first class includes those who, arriving at the station well in advance of the train, are so eager to board it as it pulls into the station that they cannot wait until it stops. The second class embraces the many commuters who reach the platform as the train is leaving and hence must run to get aboard. The station that jointly serves Roselle, N. J., and Roselle Park musters the greatest number of chance-taking commuters of any stop included in the Jersey Central's suburban district. Westfield is second on the list for quantity, while Plainfield is third and El Mora Avenue is fourth.

### Headwork on the L. & N.

On the Louisville & Nashville, they are telling two stories to illustrate the ingenuity of J. W. McIntosh, bridge and building foreman on the Eastern Kentucky division. In one case, the foundation of a track scales had filled with water, and an examination revealed that the drain pipe leading from the bottom of the scale pit to a nearby creek had become packed with mud. It was Mr. McIntosh's job to dig up the pipe and relay it after cleaning out the mud. Having a good deal of work to do on buildings in the vicinity, he decided to try a less time-consuming method of cleaning the pipe. Catching a large crawfish, he placed it in one end of the pipe, sealed that end tightly and went about his other work. The next day he made an examination and found conditions apparently unchanged, but on the second morning inspection revealed that the crawfish had escaped through the unsealed end of the pipe, leaving an opening through its entire length. It was an easy matter then to flush the pipe clean with a line of hose connected to a nearby water tank. On another occasion, Mr. McIntosh was confronted with the problem of reinforcing a badly broken stone box culvert, under a high fill, with a 12-in. pipe. After trying for some time to devise a way to get the pipe through the culvert, his eye fell upon a helpful-looking cat. Inspiration was not long in coming. In a few moments, Mr. McIntosh had caught the cat, tied a fishing line to its tail and started it through the culvert. The cat lost no time in making for the opposite end of the culvert; in fact, it emerged from the opening with a burst of speed which caused some difficulty to Mr. McIntosh in bringing his helper to a stop. The cat having been released, the fishing line was used to draw a stronger line through the culvert, this line in turn being used to pull a heavy rope through. By means of this rope, the pipe was pulled into place with comparatively little trouble.

# NEWS

## Motor Carrier Regulation Proposals Meet Opposition

### Protests may prevent enactment of legislation at the present session of Congress

Opposition to several features of the railroad proposals for legislation providing for regulation of motor transportation was announced on March 30 by Roy F. Britton, director of the National Highway Users' Conference and also by representatives of the American Farm Bureau Federation, the Farmers' Union, and the National Grange, who left a statement of protest on the subject at the White House for the President, and although the President has indicated his desire for such legislation, Congressional leaders have suggested that it will probably be postponed until the regular session of Congress next January.

Representatives of the railroads, state commissions, and bus and truck operators have recently reached a practical agreement on the terms of a bill, but, as Mr. Britton pointed out, no representatives of the agricultural, industrial, or commercial interests participated. The farm organizations submitted the following recommendations:

"1. That in case you decide to set up a federal agency to supervise or regulate truck and bus operations in interstate traffic, an agency be provided separate and distinct from that supervising railroad, waterway, or aerial transportation, although all such agencies might be correlated under a common head.

"2. That no attempt be made at this time to regulate rates of 'contract' or private motor carriers, and that this policy be continued until such time as it can be clearly shown that such regulation is necessary in order to reduce rates in the interest of the shipper and the consumer.

"3. That in any type of regulation of motor-vehicle transportation that may be undertaken the question of 'equalizing conditions of competition' with another carrier engaged in a different kind of transportation shall not be a consideration. Free competition between the different transportation agencies must be maintained.

"4. That for a period of at least one year any federal agency set up to supervise interstate truck and bus operations shall function solely as an agency to collect data which will give a clearer idea of the kinds of regulation needed, if any, in order properly to safeguard the interests of the public."

### Says Motor Makers Use Private Auto Profits to Finance Trucks

Highway trucking statistics show that approximately 50 per cent of the trucked traffic [in Canada] moves beyond the economic range of the highway vehicle. This means that in 1931 the trucks moved traffic with an attached revenue of $13,000,000 that could have been moved cheaper by the railways. This loss of $13,000,000 to the railways in a year like 1932 is of considerable importance, yet every time the railways ask for equality of operating conditions so they can get the portion of this traffic on the rails where it belongs, they are accused of being propagandists. Apparently we are expected to remain inactive and watch our revenues being depleted by a transportation agency which is conducted by a group of individuals whose sole contribution is the desire to operate vehicles on the highways. The capital necessary for such operation is provided by the public in the form of free highways and by automobile manufacturers who by virtue of profits from the sale of pleasure cars extend credit for the equipment.

*From an Address by Bernard Allen, Assistant Economist, C. N. R., Before the Canadian Railway Club*

### I. C. C. Investigates Ohio Rates

The Interstate Commerce Commission, on petition of the Public Service Commission of Pennsylvania, has instituted an investigation of the refusal of the Public Utilities Commission of Ohio to permit a continuation of the freight surcharge on bituminous coal for intrastate traffic after March 31. The commission has had an investigation of the intrastate rates on coal in Ohio under way for some time and has now set the case for argument on April 17.

### Railway and Express Rates on Beer Reduced

The Interstate Commerce Commission on March 30 authorized the railroads to file on short notice freight tariffs establishing new ratings on beer, ale, wine and porter on a lower basis than has heretofore been available on cereal beverages, in an effort to meet truck competition, so that they could be made effective by April 7. The Railway Express Agency also asked authority to establish a specific second class rating on ale, beer and wine.

## Tax on Water Carriers Considered by President

### Plan would result in reducing to small extent subsidies now being received

A plan for reducing to a small extent the amount of the subsidy now received by water carriers by making them pay the cost incurred by the government for direct maintenance of channels and aids to navigation is under consideration by the new administration. President Roosevelt and his advisers are exploring the possibility of imposing a very small tonnage tax on all craft using waterways made navigable and lighted, etc., at federal expense to see if such a tax cannot be made to bring in revenue approximately equal to the annual expense for such maintenance. The government spends about $60,000,000 a year, it has been calculated, for maintenance of existing aids to navigation such as lighthouses, buoys, dredging channels, ice-breaking, etc., and in many other countries the water carriers are required to contribute to such costs.

In Great Britain, for example, a small tonnage tax is imposed, which is not large enough, however, to cut much of a figure in rate-making, and a similar plan is being studied for application here. Whether such a tax would apply also to the equipment of the government's own Inland Waterways Corporation has not been determined but the President is represented as inclined to believe that it should.

This idea was expressed by the President to a committee of Congressmen, headed by Representative Frank R. Reid, of Illinois, president of the National Rivers and Harbors Congress, which called upon him on March 30 to urge the importance of including rivers and harbors projects in his proposed public works program for unemployment relief. The President also indicated a policy of going slow on such expenditures except those which would employ the largest percentage of direct labor. Mr. Reid told the President that the Rivers and Harbors Congress believes that ample funds should be provided to insure prompt completion of all rivers and harbors or flood control projects which have been, or shall hereafter be, authorized by Congress, supplementing regular annual appropriations by a bond issue, if necessary. The committee left with him a list of projects totalling $151,291,615 in estimated cost which have been authorized by Congress and approved by the Army engineers.

## Hearing on Recapture Bill

The Senate committee on interstate commerce on April 5 held a brief hearing on the Rayburn bills to repeal the rate-making and recapture provisions of the interstate commerce act and to amend the consolidation provisions in such a way as to give the Interstate Commerce Commission complete supervision over acquisitions of railroads by holding company or otherwise, which had been reported by the House committee last year and which were again reported by it on March 29. The Senate committee had never considered these bills and Chairman Dill had introduced them as S. 843 and 844 and called the hearing on them because they are expected to be made a part of the President's general program of railroad legislation. Senator Dill had had copies of the hearings before the House committee last year furnished to the members and Commissioner Eastman, chairman of the legislative committee of the Interstate Commerce Commission, was called to explain them briefly.

Commissioner Eastman submitted a revised estimate of the recapture liability, based on later and more complete information than was available at the time of the $360,000,000 estimate made last year, because during the year many additional tentative and final reports have been made, but he explained that they were still estimates and that the figures would be different when the commission got through with the reports and perhaps still different if passed on by the courts. The latest estimate on an annual basis for the years 1920 to 1931, inclusive, was given as $342,239,639, for 422 railroads. Another estimate, on a period basis for the same years, was $202,329,095 for 140 roads, and another, on a period basis from 1920 to 1933, was $170,882,474, for 132 roads. Commissioner Eastman pointed out that in 1930 the general index of railroad construction costs dropped 5 points under 1929, in 1931 it declined another 8 points and in 1932 there was another decline of 16 points, and these declines have been reflected in the year by year calculations of value. He also submitted detailed figures for the various roads. After repeating the reasons previously given for the substitution of a more flexible rule of rate-making for the fair return rule and for repeal of recapture, he said that it is necessary to treat all roads alike by making the repeal retroactive, because if the roads that have not paid are to be relieved it is necessary to make refunds to those that have paid. The recapture fund now amounts to $13,-124,819, including interest accretions.

In connection with the discussion of the acquisition, or holding company bill, Alfred P. Thom, associate general counsel of the Association of Railway Executives, submitted a proposed amendment to change the requirement that acquisitions to be approved must be in harmony with the commission's consolidation plan to provide that they must be in harmony with the laws of the United States in force at the time of the application. He said that it is the purpose of the railroads to present at a later date a plan for consolidation legislation which would protect the various means by which consolidations may be made effective, and that he desired that no language be included at this time which would conflict. Commissioner Eastman said that offhand he saw no objection because the language should be in harmony with the then policy of the law, whatever it is, but promised to give it further study.

## Extra Fare on "Cascade" Trains to Be Eliminated

The Southern Pacific has applied to the Interstate Commerce Commission for authority to eliminate the excess fares on its "Cascade" trains, No. 17, and 18, between San Francisco and Portland, on short notice.

## Congressman Curious About Salaries

Representative Sabath, of Illinois, has introduced in Congress a resolution to authorize the Interstate Commerce Commission and the Federal Trade Commission to "secure and compile information showing the salaries, fees and bonuses paid to the presidents, officers and directors of large corporations."

## Five-Day Week Bill in Senate

The Senate on April 4 and 5 debated the bill introduced by Senator Black, of Alabama, to prohibit interstate commerce in articles produced or manufactured in industrial activities in which persons are employed more than five days a week or six hours a day. Senator Black explained that the bill did not apply to railroad employment but that he intended to offer one that would. He declared that the purpose of the bill would not be accomplished if employers made a proportionate reduction in wage payments.

## Pigeon-Hole the St. Lawrence Treaty

President Hoover was always talking about the St. Lawrence waterway. He estimated its cost at $800,000,000 but other engineers talked $1,350,000,000. This the government has proposed to spend to ruin the railways now hauling the traffic and to divert traffic from ports where hundreds of millions of dollars are invested in shipping facilities. We actually proposed to spend over a billion of dollars to bankrupt railroads which the R. F. C. had just loaned $350,000,000 to save them from destruction.

We have no market in Liverpool for our grain, so why try to dock ships for grain cargoes at our grain markets when they have no destinations? The talk about the electricity to be developed as a by-product, is equally as futile. The best engineers have demonstrated that power from the St. Lawrence docks would cost more to develop than the same could be supplied with old fashioned steam-generators.

If the United States can find an obscure, dark, pigeon-hole somewhere in Washington, let's put the St. Lawrence waterway treaty in it and forget the whole project. It will be a blessing.

*From an Editorial in the Helena (Mont.) Independent.*

## Roads In Two Months Earn 0.76 Per Cent

The 149 remaining Class I railroads for the first two months of 1933 had a net railway operating income of $23,211,198, which was at the annual rate of return of 0.76 per cent on their property investment, according to reports compiled by the Bureau of Railway Economics. In the first two months of 1932, their net was $32,-866,741 or 1.08 per cent.

Operating revenues for the first two months totaled $437,633,202, compared with $534,881,748 for the same period in 1932, or a decrease of 18.2 per cent. Operating expenses amounted to $352,039,086, compared with $434,582,742 for the same period in 1932, or a decrease of 19.0 per cent. Class I railroads in the two months paid $43,746,269 in taxes compared with $47,974,080 for the same period in 1932, or a decrease of 8.8 per cent. For February alone, the tax bill amounted to $21,-726,781 a decrease of $2,355,929 under February, 1932.

Seventy-four Class I railroads failed to earn expenses and taxes in the first two months of 1933, of which 18 were in the Eastern district, 14 in the Southern and 42 in the Western.

For February alone the net railway operating income was $9,854,882, which, for that month, was at the annual rate of 0.61 per cent. In February, 1932, their net was $21,655,333 or 1.35 per cent. Operating revenues for February amounted to $211,-612,905, compared with $263,519,800 in February, 1932, a decrease of 19.7 per cent. Operating expenses totaled $170,-863,718, compared with $208,166,526 in the same month in 1932, or a decrease of 17.9 per cent.

Class I railroads in the Eastern district for two months had a net of $26,102,816 at the rate of 1.84 per cent. For the same period in 1932, their net was $28,702,281 or 2.02 per cent. Operating revenues of roads in the Eastern district for the two months totaled $230,055,348, a decrease of 17.2 per cent, while operating expenses totaled $173,785,174 a decrease of 19.9 per cent. For February the net railway operating income was $12,583,225, compared with $16,978,442 in February, 1932.

Class I railroads in the Southern district for the two months had a net of $6,060,045 at the rate of 1.14 per cent. For the same period in 1932, their net amounted to $3,-420,076, at the rate of 0.65 per cent. Operating revenues in the Southern district for the two months amounted to $60,-614,354, a decrease of 12.5 per cent, while operating expenses totaled $47,406,333, a decrease of 18.4 per cent. For February the net was $2,943,493, compared with $2,-701,321 in February, 1932.

Class I railroads in the Western district for two months had a net of $8,951,663. For the same two months in 1932, they had a net of $744,384, at the rate of 0.07 per cent. Operating revenues of Western district for two months amounted to $146,-963,500, a decrease of 21.8 per cent under the same period in 1932, while operating expenses totaled $130,847,579, a decrease of 18.0 per cent. For February, the Class I railroads in the Western district reported a net operating deficit of $5,671,836. The net railway operating income of the same

roads in February, 1932, amounted to $1,975,570.

CLASS I RAILROADS—UNITED STATES

| | 1933 | 1932 | % Decline |
|---|---|---|---|
| *Month of February* | | | |
| Total operating revenues | $211,612,905 | $263,519,800 | 19.7 |
| Total operating expenses | 170,863,718 | 208,166,526 | 17.9 |
| Taxes | 21,726,781 | 24,082,710 | 9.8 |
| Net railway operating income | 9,854,882 | 21,655,333 | 54.5 |
| Operating ratio—per cent | 80.74 | 78.99 | ... |
| Rate of return on property investment—per cent. | 0.6 | 1.35 | ... |
| *Two Months Ended February 28* | | | |
| Total operating revenues | $437,633,202 | $534,881,748 | 18.2 |
| Total operating expenses | 352,039,086 | 434,582,742 | 19.0 |
| Taxes | 43,746,269 | 47,974,080 | 8.8 |
| Net railway operating income | 23,211,198 | 32,866,741 | 29.4 |
| Operating ratio—per cent | 80.44 | 81.25 | ... |
| Rate of return on property investment—per cent. | 0.76 | 1.08 | ... |

## Seatrain Hearings to Be Resumed

The Interstate Commerce Commission has announced that hearings in connection with its investigation of the Seatrain Lines, Inc., will be resumed on April 17.

## I. C. C. Seeks New Salary Data

The Interstate Commerce Commission has sent to Class I railways a questionnaire asking information as to any further changes in officers salaries since that disclosed in a report it made last year.

## R. C. C. Loans to Railroads

The monthly report of the Railroad Credit Corporation, filed with the Interstate Commerce Commission shows that by March 31, it had either actually made or authorized loans to railroads to meet their fixed interest obligations totaling $62,314,518. Of that amount, $56,322,706 represented loans actually outstanding and $1,246,312 had been repaid, leaving a balance of $4,745,500 to which the corporation is committed. Reported rate increases, under Ex Parte 103, according to the report, totaled $65,935,866 for the 13 months ended January 31, and they amounted to $4,310,157 in January.

## Chicago to Norfolk Through Service

The Norfolk & Western, in conjunction with the Pennsylvania, has established through service between Chicago and Norfolk, Va. A Pullman lounge car and coaches which will be run on "The Union" of the Pennsylvania from Chicago to Cincinnati, and on "The Pocahontas" of the Norfolk & Western from Cincinnati to Norfolk. Cars will leave Chicago at 1 p. m. (central time) and will arrive at Norfolk at 4:50 p. m. (eastern time) the following day. Westbound, the cars will leave Norfolk at 1:20 p. m. (eastern time) and will arrive in Chicago on the Pennsylvania's Chicago Daylight Express at 3:15 p. m. (central time) the following day.

## Railway Fire Protection Association

W. F. Hickey, New Haven, Conn., president of the Railway Fire Protection Association, has issued the Association's News Letter No. 50. This is a pamphlet of 40 pages containing accounts of 13 fires, every page filled with interesting and instructive details; and an eight-page report of a meeting held by the Eastern section of the Association in New York on January 27. The principal subject discussed by this section was locomotive fire hazards. On one large system all road locomotives have attached to the tender a perforated sprinkler pipe with which to wet down bridge ties. On another road a similar device is used, on trains which have observation cars, for the purpose of laying dust at highway crossings and at stations.

## Pacific Railway Club

The Pacific Railway Club has elected as president for the ensuing year D. C. Wilkens, commercial agent of the Western Pacific; first vice-president A. J. Lundberg, president of the Key System. The April meeting of the club will be held on Thursday evening, the thirteenth, at the Key System Auditorium, 2129 Grove Street, Oakland, Cal. The subject of discussion will be railroad lubrication, and the principal speakers C. J. Banning, Nathan Manufacturing Company; R. W. Hunt, Atchison, Topeka & Santa Fe, and Walter Davis, Union Oil Company. Motion pictures appropriate to the subject will be shown.

The subject of the May meeting of the club (Thursday, May 11) will be the Railroad Station Agent.

## Newark Chamber Defends I. C. C.

The Chamber of Commerce of Newark, N. J., on March 29 adopted a resolution expressing its disapproval of any plan "to disorganize or otherwise eliminate the Interstate Commerce Commission" and urging "in the strongest possible manner the maintenance of its present status as an agency of the legislative branch of our federal government, immune as far as practicably possible from the unwarranted and unreasonable requests of a political genesis."

The resolution was prompted by "proposals published in the press, which being undenied have assumed a certain degree of authenticity, to abolish the Interstate Commerce Commission or to otherwise nullify its effectiveness through the transfer of its functions from the legislative to the executive branch of the government."

## Bill Proposed to Prohibit Transportation of "Illegal" Oil

Legislation to prohibit the transportation in interstate and foreign commerce of oil, or the products thereof, produced or manufactured in any state in violation of the laws thereof, is one of the principal proposals growing out of a recent conference in Washington attended by the governors of oil-producing states, their representatives, and representatives of the oil and gas producers and distributors, with the Secretary of the Interior, on plans for curtailing excessive production. Committees recommended a plan of state legislation to close for a time all flush pools and that the President recommend to Congress a law to prevent the shipment of oil produced in violation of such provisions. In a letter to the governors later President Roosevelt expressed his willingness to recommend such legislation.

## I. C. C. to Investigate Possibility of General Rate Reductions

The Interstate Commerce Commission on March 31 announced its decision to institute, upon its own initiative, an investigation of existing freight rates, "to determine whether and to what extent, if any, general reductions should be made." The investigation is not to be confined to any particular commodities. This action was taken in response to the "memorial petition" filed in January on behalf of the American Farm Bureau Federation, the Farmers' Union, the National Grange, the National Coal Association, and the National Lumber Manufacturers' Association, and other petitions and resolutions. Oral argument on the question of whether such an investigation should be held was heard by the commission on March 24 and 25 at which it was opposed by the Association of Railway Executives and the American Short Line Railroad Association.

## Railroads to Sell "Visits" to Chicago Fair

The railroads of the entire country have joined in a new low-rate plan for the convenience of visitors to Chicago's Century of Progress Exposition, whereby a prospective visitor may, before he leaves home, purchase his hotel accommodations in Chicago, his transfer from the railroad station to his hotel and back again, tickets of admission to the Exposition, and a sightseeing tour of the city. Every necessary accommodation but meals is included in this new plan, and the visitor may know, before he leaves home, just what his trip will cost.

These "visits" to the Exposition have been arranged under the auspices of the American Express Company and will be sold at every railroad station in the United States, as well as at the offices of the express company. They will allow stays in Chicago of from one day up to five days or more. The prospective visitor will have his choice of 27 first-class hotels in Chicago, grouped according to their normal scale of prices. For a one-day "visit" the cost will range from $4.50 to $6.50, including a taxi from the railroad station to the hotel, one night's lodging (single room), a souvenir admission ticket, and a taxi from the hotel back to the railroad station. For a double room occupied by two persons, including all the above services, the cost per person will range from $4 to $5.50. For a five-day visit, including a taxi both ways between the station and the hotel, a tour of Chicago, three admission tickets to the Exposition and four nights' lodging, the cost will range from $14.75 to $22.75 for a single room and from $12.75 to $18.75 per person for two occupants of a double room.

At every railroad station in Chicago there will be American Express representatives to see that all incoming visitors secure their taxis to the hotels named on their coupons, and who will serve as a Chicago reception committee.

## British Road Aids Prospective Summer Vacationists

Prospective British vacationists will be given an opportunity during the month of April to inspect the various resorts along

the lines of the Great Western of Great Britain at which they may be interested in spending their Summer holidays. The road is operating Sunday excursion trains, designated "Holiday Haunts Expresses," for the purpose of permitting one-day visits to the various resorts and thereby affording patrons an opportunity to look over several vacation spots before making a selection.

The "Holiday Haunts Expresses" will serve a different group of resorts each Sunday and, while carrying the same rolling stock and operating on the same fast schedules as regular G. W. R. express trains, will charge fares which approximate only one-fifth of the regular rates. To the more distant resorts night trains will be operated under the same plan.

## Southern Railway Proposes Fares of 1½ Cents a Mile

The action of the Louisville & Nashville in reducing passenger fares throughout its system the first of this month to 2 cents a mile in coaches and 3 cents a mile in parlor and sleeping cars was followed on April 4 by still more drastic action by the Southern, which applied to the Interstate Commerce Commission for authority to make effective on short notice fares of 1½ cents a mile in coaches throughout its entire system. The Southern stated in its application that it had been experimenting with low fares for a considerable time with success and desired to try the plan on a more general scale. The Nashville, Chattanooga & St. Louis and the Mobile & Ohio had made the reduction to 2 cents at the same time as the L. & N., and the Central of Georgia later asked authority to make similar reductions on its line. Through the action of the Baltimore & Ohio the 2-cent rate appeared also about to spread to border territory, as this company asked fourth section relief to apply the reduced rates between Louisville, Cincinnati, and St. Louis, where it meets the competition of the L. & N., but the commission denied the fourth section application.

## Publishers Association Committee Considers Transport Problem

Sale or lease of the Inland Waterways Corporation, relaxation of railway regulation and the exercise of some federal control over highway and water carriers are among recommendations on the transportation prepared by the Traffic Committee of the American Newspaper Publishers Association. The recommendations are embodied in a report which the committee will present at the Association's annual convention in New York, April 25-28.

As to railways, the committee suggests amendments to the Interstate Commerce Act which would limit the I. C. C.'s power in discrimination cases, liberalize the long-and-short-haul clause, permit rate reductions on one-day notice, repeal recapture and enact a new rate-making rule, remove reparation cases from the jurisdiction of the I. C. C. and repeal the valuation section. Because new forms of transport "furnish sufficient competition to the rail carriers" the committee would broaden consolidation legislation to permit territorial consolidation because such "is the proper remedy"—the only way in which the carriers "can possibly eliminate costly duplication of service." Other recommendations include suggestions that railways be relieved of burdensome taxes and that the Railway Labor Act be amended to permit more direct wage negotiations.

As to motor trucks, the committee recommends uniform laws governing financial responsibility of operators, hours of service, sizes, weights, speeds, etc., but adds that "such attempted forms of regulation as will place motor trucks under the same supervisory rate and business regulation as the rail carriers is not in the public interest and would effectively stifle this form of transportation." The committee would therefore confine motor carrier rate regulation (and the regulation of port-to-port rates of water carriers) to legislation "prohibiting one form of transportation from stifling another by means of carrying traffic at rates which are lower than out-of-pocket costs, the object of such rates being to create a monopoly." Also the committee would have railroads join in rates with motor carriers and operate highway or water services which are not competitive with their own railroad lines.

## The Canadian Roads in February

The Canadian Pacific reports gross revenues of $7,096,887 for February, against $9,043,278 in February of last year, a reduction of $1,946,390. Operating expenses were sharply reduced also, $7,000,276 for the month being a cut of $1,813,566 from those of last year. Net revenues at $96,611 compare with $229,434, a reduction of $132,823.

For the two months, January and February combined, the company's gross revenues were $14,772,548, a reduction of $3,474,700 from the $18,247,249 reported for that period of 1932. The decline in expenses was substantial, offsetting the decline in gross to the extent of $3,047,771. Net for the period totaled $419,983, against $846,913 a year ago, a decline of $426,929.

A decrease of $2,787,918 in the gross revenues of the Canadian National during February, 1933, as compared with the corresponding month of last year, and a reduction in operating expenses of $1,975,412 compared with February, 1932, were the features of the monthly report of the system. There was a net operating deficit of $1,401,934, an increase of $812,505 as compared with February of last year. The summary of operating results for February, 1933, and 1932 follows:

| | 1933 | 1932 | December |
|---|---|---|---|
| Operating exp.. | $9,618,413 | $11,593,825 | $1,975,412 |
| Gross revenue.. | 8,216,479 | 11,004,397 | 2,787,918 |
| Net deficit.... | $1,401,934 | $589,428 | *$812,506 |

* Increase.

## Will Cut Chicago-St. Louis Passenger Service

The elimination of three passenger trains in each direction between Chicago and St. Louis, Mo., is provided for in an approved preliminary plan worked out by the Alton, the Illinois Central, the Wabash and the Chicago & Eastern Illinois under the direction of Harry G. Taylor, commissioner for the western lines, in an effort to bring about economy in railroad operation. According to the plan, the Illinois Central will discontinue its noon train, and the Wabash and the Alton their afternoon trains from Chicago to St. Louis. Northbound, the Illinois Central, the Wabash and the Alton will each take off a morning train. However, the Alton will replace this morning train with the Alton Limited, which now leaves St. Louis at 12:05 p.m. The Chicago & Eastern Illinois will continue to operate a noon and a night train in each direction, since it discontinued an afternoon train in each direction in 1931.

Under the present time-tables, the following trains are being operated: From Chicago, Illinois Central at 11:45 a.m., 4 p.m. and 11:55 p.m.; Wabash at 11:30 a.m., 3:15 p.m. and 11:50 p.m.; Alton at 9 a.m., 11:30 a.m., 3 p.m., 6:50 p.m., 11:45 p.m. and 11:59 p.m.; and the Chicago & Eastern Illinois 11:25 a.m. and 11:55 p.m. From St. Louis, Illinois Central at 8:50 a.m., 12:15 p.m. and 12:05 a.m.; Wabash at 8:47 a.m., 12:05 p.m. and 11:55 p.m.; the Alton 7:40 a.m., 8:55 a.m., 12:05 p.m., 3:30 p.m., 11:45 p.m. and 11:59 p.m.; and the Chicago & Eastern Illinois 11:45 a.m. and 12 p.m.

## House-to-House Calls by the Passenger Department

House-to-house canvassing to make a market for railroad tickets, believed to be the first effort of the kind ever made, is to be tried by the 3,500 employees of the Maine Central in an effort to stimulate passenger travel.

Officers and employees alike will make a house-to-house drive to advertise excursion tickets and to show people in general the advantages of rail travel. Front page newspaper advertising will augment the house-to-house campaign, and the radio will also be used.

Homes in every city and town where the Maine Central has a station in the State of Maine will be visited by officers, employees and all hands, down to the newest office boy, in a week's intensive campaign, beginning this week.

Specifically, they will offer tickets for an Easter excursion from stations in Maine to Boston for which an especially low rate has been made. (Under two cents a mile, and for the longer distances about one cent). At the same time they will attempt at each house they visit to point out the safety and comfort of railroad travel and to present the fact that railroad travel, at standard rates, is cheaper than the operation of the cheapest form of automobile. Each of the 3,500 salesmen has been called upon by the management to visit ten houses, (to be selected by himself). Each will report back the number of sales made, and the result will be compared with sales by former methods.

The circular to employees, from D. C. Douglass, executive vice-president, handed out with the employee's pay check, asks each individual to help himself, help his fellow employees who are out of jobs because of lack of traffic, and help the company. Each employee receives a supply of cards—large cards printed in large type—briefly explaining the excursion. The

tickets are good on any train going toward Boston on April 14 and 15 and are good for return up to 9.30 p.m. on April 21 (five days after Easter). The tickets are good in coaches only but the card bears a reminder that some of the best trains have fine deluxe coaches. Specimen round-trip fares to Boston are from: Bath $5.00; Bangor $6.50; Vanceboro (360 miles and back) $7.00.

Recognizing that the old-fashioned large type "flyer," hung by the hundred on pegs at ticket office windows, have an extremely small influence in advertising an excursion to young people who have never taken a ride on a railroad or visited a station, the vice-president's circular gives, in small compass, numerous valuable bits of advice to inexperienced canvassers. Each is urged to visit personally five friends or neighbors, and personally to deliver one of the cards; to mention the excursion in every telephone conversation which he may have before April 14, and to remember that if each employee should get one passenger the road would take more than three thousand citizens of Maine to Boston. "If we succeed, as we may well do provided we all do this simple little bit of extra work, in getting enough passengers on this excursion to require extra sections of trains, it means calling back to work employees all through the operating department. The snow train excursions of the Boston & Maine this winter have provided employment for many men in all branches of the operating and in some other departments, who otherwise would have been loafing." Each employee is expected to report back as to the success of his efforts.

The circular ends with a brief paragraph on the attractions of Boston at this time of the year, a suggestion that the employee inexperienced in canvassing may, with proper ambition, covert himself into an accomplished passenger solicitor.

## Traffic Estimate for Second Quarter

Freight car loadings in the second quarter of 1933 will be three-tenths of one per cent less than actual loadings in the same quarter of 1932, according to estimates compiled by the thirteen Shippers' Advisory Boards. This estimate, based on reports received from approximately twenty thousand shippers to a questionnaire sent out by the boards, constitutes the most favorable forecast that has been received for any quarter since the end of 1929.

Shippers located in four regions, the Mid-West, Ohio Valley, Allegheny, and Southeast territories expect an increase in car loadings in the second quarter of 1933 compared with the same period of 1932. For the Mid-West Territory the increase is expected to amount to 16.2 per cent. The increases for the other three are, Ohio Valley 10.4 per cent; Allegheny 3.1 per cent; and Southeast Territory, four-tenths of one per cent. The increase in the Ohio Valley, Mid-West and Allegheny territories is expected to result, largely from increased loading of coal. The Mid-West district expects a particularly large increase in coal shipments, compared with the second quarter of last year, because many mines which were closed last year because of labor difficulties are now operating.

Each of the thirteen Shippers' Advisory Boards prepares car loading estimates covering 29 principal commodities, which constitute over 90 per cent of the total carload traffic. The tabulation below shows the total loadings for each district for the second quarter of 1932, the estimated loadings for the second quarter of 1933 and the percentage of increase or decrease.

| Shippers Advisory Board | Actual Loadings 1932 | Estimated Loadings 1933 | Percent Increase Decrease |
|---|---|---|---|
| Allegheny ..... | 454,802 | 469,008 | In. 3.1 |
| Atlantic States.. | 420,706 | 394,388 | De. 6.3 |
| Central West .. | 147,001 | 136,616 | De. 7.1 |
| Great Lakes ... | 231,386 | 207,917 | De. 10.1 |
| Mid-West ..... | 485,382 | 564,037 | In. 16.2 |
| New England .. | 106,785 | 90,203 | De. 15.5 |
| Northwest ..... | 124,925 | 116,244 | De. 6.9 |
| Ohio Valley ... | 409,047 | 451,391 | In. 10.4 |
| Pacific Coast ... | 172,325 | 155,223 | De. 9.9 |
| Pacific Northwest | 119,190 | 105,592 | De. 11.4 |
| Southeast ..... | 402,761 | 404,345 | In. 0.4 |
| Southwest ..... | 292,562 | 286,556 | De. 2.1 |
| Trans - Missouri-Kansas ..... | 251,520 | 224,971 | De. 10.6 |
| Total ..... | 3,618,392 | 3,606,491 | De. 0.3 |

Of the 29 commodities covered in the forecast it is anticipated that five will show an increase in loadings in the second quarter of 1933 compared with the same period of 1932. They are: Cotton; Citrus Fruits; Coal and Coke; Ore and Concentrates; and Sugar, Syrup and Molasses. The largest increase, according to the estimates, is for Coal and Coke, for which an increase of 16 per cent is expected.

Estimates as to the increase in the loading of cotton in the second quarter of 1933, compared with the same period of 1932, amounted to 11.9 per cent, while for Citrus Fruits, an increase of 4.5 per cent is expected. For Sugar, Syrup and Molasses, an increase of 4.6 per cent and Ore and Concentrates, an increase of seven-tenths of one per cent is expected. The percentages of decrease estimated for the other twenty-four commodities range from 25.1 per cent for Automobiles, Trucks and Parts; 18.6 per cent for Agricultural Implements and Vehicles other than Automobiles, 18.3 per cent for Potatoes, to nine-tenths of one per cent for all kinds of Grain.

* * * *


# About Railroad Men's Jobs

A MESSAGE UPON A Vital Question OF SELF-PROTECTION

● Various State Legislatures are considering measures for the proper regulation of commercial motor vehicles within State boundaries. . . Steps to control interstate motor service have been proposed in Congress and have been widely endorsed. . . These matters vitally affect the personal welfare of every railroad employe. Large trucks, many of "box car" size, use the publicly-owned highways without fair payment for the privilege. Taxpayers' money is thus being spent in ways which result in putting railroad men out of work.

### Menace of Excessive Working Hours in Truck Service

● There is little control over the hours of service or working conditions of truck drivers. It is well known that many accidents are due to drivers being kept at work to the point of exhaustion. . These conditions menace the livelihood of railroad men. Rail workers could meet such competition only by greatly lowering their standards of employment. Railroad managements have no thought that this should be done. . . The proper step is to raise the standards of working conditions in the trucking business to an American level. There should be equality of opportunity to make a living in transportation work.

### Highways Not for "Box Car" or "Freight Train" Operations

● "Box cars" and "freight trains" do not belong on the public highways. They should be put back on the rails where they can be operated safely and with convenience to the public. . . The Supreme Court of the United States has said of the highways, "that their primary and preferred use is for private purposes; and that their use for purposes of gain is special and extraordinary . . . " State Legislatures, the Court declared, may restrict the commercial use of highways or forbid it altogether. Motor vehicles operated for hire have a field of real usefulness, which they should develop. They should not, however, through lack of regulation, or the partially free use of publicly-owned highways, be permitted to push railroads and railroad men out of these broader fields of general transportation in which the rails can serve the public far better, more efficiently, and at lower real costs.

### Some Needful Regulations of Highway Service

● Every State should reasonably limit the size, weights, and speeds of commercial vehicles allowed to use its highways. Full and fair payment should be required for the privilege. . . Vehicles operated for hire should be required to establish reasonable rates, publish them and adhere to them, as do the railroads. They should be forbidden, as are the railroads, to show favoritism or preferences in rates or service. . No one should be allowed to carry freight or passengers for hire upon the highways without first obtaining a permit or certificate from a public authority, and the permission should not be granted unless a real need for the service is shown, and its effect upon existing rail or other transportation lines, and their employes, duly considered.

**Watch What YOUR Legislature Is Doing**
**Tell YOUR Representative Your Views**

**THE PENNSYLVANIA RAILROAD**

An Advertisement Which is Appearing in Current Issues of Several Magazines Published by the Transportation Brotherhoods

# Supply Trade

**The American Cyanimid & Chemical Corporation,** New York, has been given the exclusive sales agency for Mabelite paint pigments, by the **Eastern Mabelite Corporation,** New York.

The general offices of the **Railway Service & Supply Corporation,** Indianapolis, Ind., were moved on April 1 and combined with the manufacturing and laboratory facilities at 510 South Harding street, Indianapolis.

**Thomas Aurelius,** for many years head of the railroad steel sales department of the **Colorado Fuel & Iron Company,** Denver, Colo., has been elected a vice-president. Mr. Aurelius has been with the company for 31 years having started work as a clerk in its wire mill in 1902 where

Thomas Aurelius

he remained until 1907 when he was transferred to the sales department. For two years he was located at El Paso, Tex., and then was transferred to the Los Angeles, Cal., office. In 1910 Mr. Aurelius was again transferred to Pueblo, Colo., as superintendent of the wire mill, remaining in that position until 1917, when he went to Denver, as assistant to J. Chilberg, vice-president and general manager of sales. When Mr. Chilberg retired in 1921, Mr. Aurelius continued with the duties of that office and for several years he has had complete charge of the company's railroad steel sales; in his new position he will continue with this work.

**Roy C. Muir,** assistant to the late Charles E. Eveleth, vice-president in charge of engineering, has been appointed manager of the engineering department of the **General Electric Company,** Schenectady, N. Y. Mr. Muir, who has been with the company for 28 years, will have direct charge of the designing engineering in all of its various plants, the works laboratories, and the general engineering laboratory at Schenectady. He was born at Arcadia, Wis., and was graduated from the University of Wisconsin in 1905 with the degree of B. S. in electrical engineering. He then entered the student engineering course of General Electric Company at Schenectady and later was assistant to the head of the turbine testing department; in 1907 he was transferred to the central station engineering department and spent a year on turbine design. In 1908, he joined the company's power and mining—now the industrial—engineering department. Mr. Muir was appointed chief commercial engineer of the International General Electric Company when it was organized on January 1, 1919. In 1922 he was promoted to assistant engineer of the industrial engineering department and in May, 1930, left that department to become general assistant to Mr. Eveleth, in charge of general administration of designing engineering departments and works laboratories.

## OBITUARY

**Andrew Cameron Pearson,** chairman of the board of the United Publishers Corporation, New York, died at his home in Montclair, N. J., on March 31. Mr. Pearson was born at Coffeyville, Kan., on November 17, 1873, and was educated at Baker University, Baldwin, Kan., from which he was graduated in 1895, and which made him an honorary M.A. in 1920, and at Northwestern University, Evanston, Ill., from which in 1896 he received the degree of LL.B. After serving on the advertising staff of the Dry Goods Reporter in Chicago, he joined the staff of the Dry Goods Economist in New York in 1904. He was successively advertising manager, vice-president and general manager, and in 1924 became president of the Economist Group Publications. In 1913 he was made secretary of the United Publishers Corporation, filling successively the offices of treasurer, vice-president and, since 1926, chairman of the board of that company, whose publications include many business magazines, catalogs and trade directories. He was also vice-president of the Newton Falls Paper Company. Mr. Pearson had served as president of the Associated Business Papers, Inc., during the year 1918-1919. He was president of the National Publishers Association, national chairman of the American Publishers Conference, director of the Merchants Association of New York and a director of the Chamber of Commerce of the United States, 1922-1924. In 1931 Mr. Pearson was made a Chevalier of the Legion of Honor for services to the French Government.

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GENERAL REDUCTIONS of approximately 33⅓ per cent in round-trip passenger fares will be installed by British railways for the five-month period, May 1 to September 30. The new rates will bring first class fares down from 2½ pence per mile to 1.66 pence while third class fares will be cut from 1½ pence per mile to 1 pence.

Tickets purchased at the foregoing rates will be good on all trains and will have return limits of 30 days. The rates are, however, subject to minimum charges of 2 shillings 6 pence and 4 shillings for third and first class tickets respectively. This experiment with a basic passenger rate reductions follows several years of endeavor on the part of British roads to stay the fall in passenger revenues by means of numerous special and restricted rate concessions.

# Construction

CHICAGO, BURLINGTON & QUINCY.—In connection with the conversion of a 176-ft. fixed span across the Illinois river at Ottawa, Ill., into a vertical lift span, this company has awarded a contract for the erection of the steel to the McClintic-Marshall Corporation, Pittsburgh, Pa. A contract for the construction of the fenders has been awarded to the MacDonald Engineering Company, Chicago.

LEHIGH VALLEY.—An amended order directing the reconstruction of the highway bridge carrying the Erie station highway over the Lehigh Valley in the town of Henrietta, Monroe county, N. Y., has been adopted by the New York Public Service Commission. The amended order provides for a deck girder bridge to cost $24,300. An excess cost of about $7,000 on the approaches will be paid by the county of Monroe.

NEW YORK, NEW HAVEN & HARTFORD.—Bids have been received by this company for rebuilding an 84-in. intake flume at its Cos Cob, Conn. power plant to cost about $30,000. Bids have also been received for a new passenger station and supporting facilities at Dedham, Mass., to cost $40,000.

# Equipment and Supplies

## IRON AND STEEL

THE DENVER & RIO GRANDE WESTERN has ordered 450 tons of structural steel for bridges on the Dotsero cut-off from the American Bridge Company.

## SIGNALING

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—This company has petitioned the Interstate Commerce Commission to be relieved from the requirement of maintaining and operating automatic train control between Portage, Wis., and Hastings, Minn., 212 miles.

## MISCELLANEOUS

THE ATCHISON, TOPEKA & SANTA FE, on March 21, recalled more than 200 men for rail relaying work between Parmerton, Texas, and Wilsey. The men will be employed five days a week for two or three months.

THE MISSOURI PACIFIC plans during April to recall a total of 950 men to work in its shops at St. Louis, Mo., Kansas City, Sedalia, Poplar Bluff, Nevada; Little Rock, Ark.; Monroe, La.; Hoisington, Kan., and Coffeyville during April. Four hundred twenty-five men will be employed on April 10 at Little Rock and a similar number at Sedalia and will work 10 days during the month. The remaining 100 returned to steady employment on April 1 at the other locations.

# Financial

AKRON, CANTON & YOUNGSTOWN.—*R. F. C. Loan.*—Division 4 of the Interstate Commerce Commission has denied approval of this company's application for a loan of $325,000 from the Reconstruction Finance Corporation to pay interest, principal, taxes, and vouchers, on the ground of inability to find that the loan would be adequately secured.

AKRON, CANTON & YOUNGSTOWN.—*Reorganization.*—This company has filed in the federal court for the northern district of Ohio and transmitted to the Interstate Commerce Commission a copy of a petition stating that it is unable to pay interest amounting to $99,500 due April 1 and that it desires to effect a plan of reorganization. The Northern Ohio, a subsidiary company, also filed a petition stating that it was unable to pay $62,500 of interest due. The commission has added to its standing panel of trustees the names of H. B. Stewart, president of the A. C. & Y.; William L. Day, Cleveland; and James R. Garfield, Cleveland.

ATCHISON, TOPEKA & SANTA FE AND WESTERN PACIFIC. — *Abandonment and Operation.*—The Interstate Commerce Commission has authorized the Santa Fe to abandon operation in passenger service its line between Richmond station, Cal., and Ferry Point on San Francisco Bay, 2.1 miles; to abandon the operation of its ferry facilities across the bay to San Francisco, 7.7 miles; to operate under trackage rights its passenger trains over the Southern Pacific from a point in Oakland to the Southern Pacific's Oakland pier, 2.3 miles; and to operate its passenger service jointly with the Southern Pacific on the latter's ferry between Oakland pier and San Francisco, 3.5 miles. The Western Pacific has similarly been authorized to abandon a 2.4-mile line leading to its Oakland pier; to abandon operation of its ferry across San Francisco Bay, 3.5 miles, and to operate under trackage rights over 2.5 miles of the Southern Pacific to reach the Oakland pier of that company, with which it will operate jointly the ferry services to San Francisco. The change, it is estimated, will save the Santa Fe $84,000 annually and the Western Pacific $48,000.

BANGOR & AROOSTOOK.—*Annual Report.*—The 1932 annual report of this company shows net income after interest and other charges of $701,493, as compared with net income of $623,133 in 1931. Selected items from the Income Statement follow:

| | 1932 | 1931 | Increase or Decrease |
|---|---|---|---|
| *Railway Operating Revenues* | $5,911,878 | $6,885,199 | −$973,322 |
| Maintenance of way | 996,876 | 1,395,497 | −398,621 |
| Maintenance of equipment | 1,110,199 | 1,321,099 | −210,899 |
| Transportation | 1,447,858 | 1,750,800 | −302,942 |
| *Total Operating Expenses* | 3,926,588 | 4,899,630 | −973,042 |
| Operating ratio | 66.42 | 71.16 | −4.74 |
| *Net Revenue from Operations* | 1,985,290 | 1,985,570 | −280 |
| Railway tax accruals | 501,158 | 596,936 | −95,778 |
| Railway operating income | 1,484,080 | 1,388,323 | +95,756 |
| Hire of freight cars—Dr. | 9,073 | ..... | +9,073 |
| Joint facility rents | 10,451 | 10,463 | −12 |
| Non-operating income | 57,809 | 70,612 | −12,804 |
| *Gross Income* | 1,541,888 | 1,458,936 | +82,952 |
| Interest on funded debt. | 807,885 | 810,754 | −2,869 |
| *Total Deductions from Gross Income* | 32,446 | 23,072 | +9,374 |
| *Net Income* | 701,493 | 623,133 | +78,361 |

BOSTON & MAINE.—*Annual Report.*—The 1932 annual report of this company shows net income after interest and other charges of $800,659, as compared with net income of $3,377,280 in 1931. Selected items from the Income Statement follow:

| | 1932 | Increase or Decrease |
|---|---|---|
| *Railway Operating Revenues* | $45,087,754 | −$12,697,224 |
| Maintenance of way | 5,504,943 | −2,964,343 |
| Maintenance of equipment | 6,973,835 | −1,182,689 |
| Transportation | 17,289,911 | −4,527,144 |
| *Total Operating Expenses* | 32,943,668 | −9,281,933 |
| Operating ratio | 73.07 | ..... |
| *Net Revenue from Operations* | 12,144,086 | −3,415,291 |
| Railway tax accruals | 2,866,977 | −308,480 |
| Railway operating income | 9,274,403 | −3,096,987 |
| Hire of freight cars—Dr. | 1,672,621 | −481,919 |
| *Net Railway Operating Income* | 7,366,344 | −2,528,424 |
| Non-operating income | 1,322,096 | −43,627 |
| *Gross Income* | 8,677,516 | −2,574,929 |
| Rent for leased roads | 1,141,639 | +7,491 |
| Interest on funded debt* | 6,148,941 | −243,907 |
| *Total Deductions from Gross Income* | 7,876,856 | +1,691 |
| *Net Income* | 800,659 | −2,576,620 |

* Interest amounting to $149,577.50 for 1932 and $152,995.19 for 1931 accrued on bonds held in Sinking Fund is included in account "Income applied to Sinking Funds."

BRIMSTONE RAILROAD & CANAL COMPANY.—*Recapture Report.*—Division 1 of the Interstate Commerce Commission has issued a final recapture report finding that this company in the years 1920 to 1925, inclusive, had earned $245,154 in excess of 6 per cent on its valuation, of which one-half would be recapturable. The company had already paid $42,642 and the commission orders the company to pay the balance. The company operated a short industrial road in Louisiana and was controlled by the Gulf Sulphur. Operations were abandoned April 15, 1931, under authorization by the commission, because the mines served had been depleted to a point where operations were no longer profitable.

CHESAPEAKE & OHIO.—*Tentative Recapture Report.*—Division 1 of the Interstate Commerce Commission has issued a tentative recapture report covering the period from September 1, 1920 to December 31, 1926, finding that the company in that period earned $37,549,809 in excess of 6 per cent on its valuation and accompanied by an order directing the payment of the recapturable half of that amount unless a protest is filed by May 10. A similar report was issued for the Hocking Valley covering the period ended December 31, 1927, finding $5,111,117 of excess income.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—*Abandonment.*—This company has applied to the Interstate Commerce Commission for authority to abandon a line from Dexterville, Wis., to Lindsey, 16 miles, because the log traffic has been exhausted.

CHICAGO & NORTH WESTERN.—*Trackage.*—This company has applied to the Interstate Commerce Commission for authority to operate under trackage rights over the line of the Minneapolis & St. Louis between Middle Grove, Ill., and Iowa Junction, 27.5 miles.

CHICAGO & NORTH WESTERN.—*Debentures.*—This company has announced that more than 85 per cent of the holders of its 5 per cent sinking fund debentures, due May 1, have assented to its plan to pay 50 per cent of face value in cash and 50 per cent in its general mortgage 5 per cent bonds. The company will accept the debentures for stamping under the plan until April 15 and will pay 10 per cent of face value in cash upon presentation.

CHICAGO, ROCK ISLAND & PACIFIC.—*Bonds.*—The Interstate Commerce Commission has authorized the St. Paul & Kansas City Short Line to issue $220,500 of first mortgage bonds to be delivered at par to the Rock Island in payment for advances for capital purposes. The Rock Island has been authorized to assume liability as guarantor for the bonds.

DENVER & RIO GRANDE WESTERN.—*Bonds.*—The Interstate Commerce Commission has authorized this company to issue $1,299,000 of refunding and improvement mortgage, series B, bonds to be pledged as collateral security for any notes which it may issue within the limitations of Section 20a(9). The Rio Grande Junction has been authorized to issue $188,000 of its refunding mortgage 50-year, series A, bonds to be delivered to the Denver & Rio Grande Western in payment for advances for capital purposes.

GALVESTON, HOUSTON & HENDERSON.—*Bonds.*—The Interstate Commerce Commission has authorized this company to issue $1,061,000 of first lien and refunding mortgage bonds, series A, to be offered at par to holders of its first mortgage 5 per cent bonds which matured on April 1 and, in addition, to procure the authentication and delivery of $1,591,500 of first lien and refunding gold mortgage bonds, series A, $1,061,000 thereof in respect of the retirement of the above mentioned first mortgage bonds and $580,500 in reimbursement of the company's treasury for additions and betterments.

GULF, MOBILE & NORTHERN.—*Trackage.*—This company has applied to the Interstate Commerce Commission for authority to extend its operations over the line of the Illinois Central between Bemis, Tenn., and Paducah, Ky., under a trackage contract, thus saving 32 miles as compared with the distance via the Nashville, Chattanooga & St. Louis over which it now operates.

KANSAS CITY SOUTHERN.—*Annual Report.*—The 1932 annual report of this company shows net deficit after interest and other charges of $1,380,759, as compared with net income of $376,296 in 1931. Selected items from the Income Statement follow:

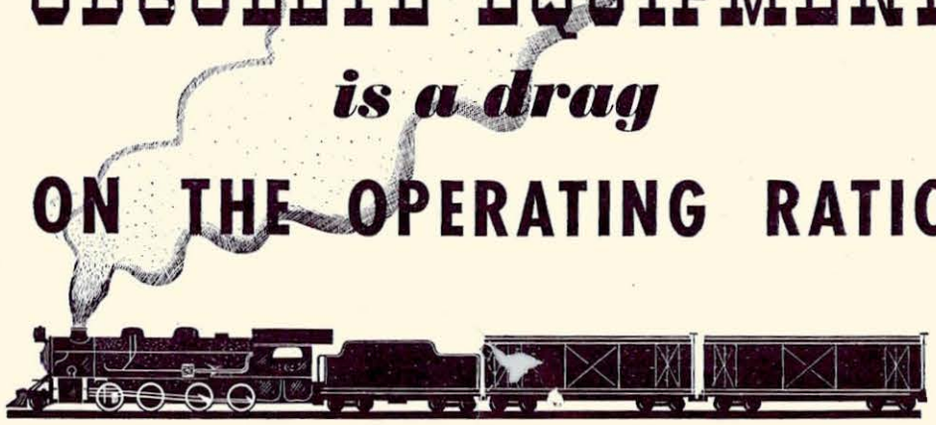
| | 1932 | 1931 | Increase or Decrease |
|---|---|---|---|
| Average mileage operated | 882.81 | 883.20 | −.39 |
| *Railway Operating Revenues* | $9,875,437 | $14,073,410 | −$4,197,973 |
| Maintenance of way | 1,019,372 | 1,342,697 | −323,325 |

*Continued on next left-hand page*

# OBSOLETE EQUIPMENT

## *is a drag*

# ON THE OPERATING RATIO



Railroads are producers of transportation . . . manufacturers of ton miles. Their most important tools are locomotives, which exert the greatest influence on transportation costs.

Over 80% of existing locomotives are obsolete . . . unfit for present day requirements . . . wasting money with every turn of their drivers.

**REPLACE THESE OBSOLETE TOOLS WITH MODERN SUPER-POWER LOCOMOTIVES**

and reduce transportation costs at least 25%.

## LIMA LOCOMOTIVE WORKS, INCORPORATED

LIMA OHIO

LIMA LOCOMOTIVE WORKS INCORPORATED

| | | | |
|---|---|---|---|
| Maintenance of equipment | 1,642,731 | 2,239,226 | −596,495 |
| Transportation | 3,246,758 | 4,313,336 | −1,066,577 |
| *Total Operating Expenses* | 7,411,816 | 9,546,397 | −2,134,581 |
| Operating ratio | 75.05 | 67.83 | + |
| *Net Revenue from Operations* | 2,463,621 | 4,527,014 | −2,063,392 |
| Railway tax accruals | 1,023,125 | 1,187,937 | −164,812 |
| Railway operating income | 1,437,671 | 3,336,595 | −1,898,924 |
| Equipment rents—Net Dr. | 403,109 | 642,900 | −239,791 |
| Joint facility rents—Net Dr. | 76,629 | 74,266 | +2,363 |
| *Net Railway Operating Income* | 957,933 | 2,619,428 | −1,661,495 |
| Non-operating income | 931,454 | 794,876 | +136,578 |
| *Gross Income* | 2,369,124 | 4,131,471 | −1,762,347 |
| Rent for leased roads | 166,367 | 58,631 | +107,736 |
| Interest on funded debt | 2,700,420 | 2,710,213 | −9,793 |
| *Total Deductions from Gross Income* | 3,749,883 | 3,755,174 | −5,291 |
| *Net Deficit* | 1,380,759 | 376,297 | +1,757,056 |

LEHIGH & HUDSON RIVER.—*Annual Report.*—The 1932 annual report of this company shows net income after interest and other charges of $181,593, as compared with net income of $254,378 in 1931. Selected items from the Income Statement follow:

| | 1932 | 1931 | Increase or Decrease |
|---|---|---|---|
| *Railway Operating Revenues* | $1,579,505 | $1,998,942 | −$419,437 |
| Maintenance of way | 185,598 | 236,290 | −50,692 |
| Maintenance of equipment | 242,925 | 314,383 | −71,458 |
| Transportation | 565,330 | 720,054 | −154,724 |
| *Total Operating Expenses* | 1,125,613 | 1,427,476 | −301,864 |
| Operating ratio | 71.3 | 71.4 | −.1 |
| *Net Revenue from Operations* | 453,892 | 571,465 | −117,573 |
| Railway tax accruals | 149,468 | 164,082 | −14,614 |
| Hire of equipment | 91,930 | 113,703 | −21,773 |
| Joint facility rents | 66,022 | 79,930 | −13,908 |
| *Net Railway Operating Income* | 146,472 | 213,748 | −67,276 |
| Non-operating income | 35,761 | 42,183 | −6,422 |
| *Gross Income* | 182,233 | 255,931 | −73,699 |
| *Total Deductions from Gross Income* | 639 | 1,553 | −914 |
| *Net Income* | $181,593 | $254,378 | −$72,785 |

MINARETS & WESTERN.—*Reorganization.*—This company has filed in the federal court for the southern district of California and transmitted to the Interstate Commerce Commission a petition stating that it is unable to meet its maturing indebtedness and desires to effect a plan of reorganization under the new law. The commission has announced the addition of the following names to its standing panel of trustees: W. C. Fankhauser, of San Francisco; Allen P. Matthew, San Francisco; George R. Sykes, Pinedale, Calif., superintendent of the road; and Max Thelen, formerly a member of the California commission.

NEVADA NORTHERN.—*Excess Income.*—Division 1 of the Interstate Commerce Commission has issued a final recapture report finding that this company received $1,267,996 of excess income in the years 1922-1927, accompanied by an order directing the payment of half that amount to the recapture fund.

NEW YORK CENTRAL.—*R. F. C. Loan.*—Division 4 of the Interstate Commerce Commission has approved an additional loan of $7,000,000 to this company from the Reconstruction Finance Corporation for the purpose of paying a like principal amount of Boston & Albany 4 per cent improvement bonds due May 1.

SOUTHERN PACIFIC.—*Ogden Mills a Director.*—At the annual meeting of this company at Spring Station, Woodford County, Ky., on April 5, Ogden L. Mills, former Secretary of the Treasury, and Malcolm P. Aldrich of New York were elected directors.

UNION PACIFIC.—*Unification.*—This company has advised the Interstate Commerce Commission that it cannot accept the condition imposed by the commission as a requirement precedent to its proposed unification by lease of the Los Angeles & Salt Lake, the Oregon Short Line, the Oregon-Washington and the St. Joseph & Grand Island, that it agree to abide by later findings of the commission as to acquisition of the Laramie North Fork & Western and the Pacific & Idaho Northern. The company had sought reargument on the question but the commission denied its petition. The Union Pacific has also been notified by the commission that the application of F. W. Charske, chairman of the executive committee, for authority to serve as director of the New York Central, would not be granted but counsel for the company has declined to withdraw the application, stating that it was preferred to have a formal report promulgated rather than to incur the implication of a recognition of a lack of merit in the application, which would continue the long-standing relation which has existed.

UTAH.—*Excess Income.*—Division 1 of the Interstate Commerce Commission has issued a final recapture report finding that this company received $178,825 of excess income for the years 1921 to 1926, inclusive, accompanied by an order directing the payment of one-half of that amount to the recapture fund.

## Average Prices of Stocks and of Bonds

| | Apr. 4 | Last week | Last year |
|---|---|---|---|
| Average price of 20 representative railway stocks | 23.05 | 25.77 | 21.99 |
| Average price of 20 representative railway bonds | 52.53 | 54.92 | 61.98 |

## Dividends Declared

Cleveland, Cincinnati, Chicago & St. Louis—5 per cent preferred, 1¼ per cent, quarterly, payable April 29 to holders of record April 20.

Minneapolis, St. Paul & Sault Ste. Marie.—4 per cent leased lines, $2.00, semi-annually, payable April 1 to holders of record March 20.

Norfolk & Western. — Adjustment preferred, $1.00, quarterly, payable May 19 to holders of record April 29.

## Tentative Valuation Reports

The Interstate Commerce Commission has issued tentative valuation reports finding the final value for rate-making purposes of the property owned and used for common-carrier purposes as of the respective valuation dates as follows:

| | | |
|---|---|---|
| Columbia & Cowlitz | $690,000 | 1928 |
| Richmond Terminal | 3,420,000 | 1927 |
| Gales Creek & Wilson River | 650,000 | 1927 |
| Mississippian | 190,000 | 1928 |
| Winston-Salem Terminal | 735,000 | 1928 |

# Railway Officers

## FINANCIAL, LEGAL AND ACCOUNTING

**C. O. Newcomb** and **A. C. Erdall,** assistant solicitors for Minnesota of the Chicago, Milwaukee, St. Paul & Pacific, have been promoted to solicitors, with headquarters as before at Minneapolis.

## PURCHASES AND STORES

**J. H. Nichols,** general storekeeper of the New York, Chicago & St. Louis, has been appointed stationery storekeeper, with headquarters as before at Cleveland, Ohio.

**G. R. Williams,** purchasing agent of the Spokane, Portland & Seattle, has had his headquarters moved from Portland, Ore., to Vancouver, Wash.

**H. K. T. Sherwood,** recently appointed purchasing agent of the Delaware & Hudson, with headquarters at Albany, N. Y., was born at Glen Cove, N. Y., on August 19, 1887, and received his education at Hotchkiss School, Lakeville, Conn., and Yale University. He entered railroad service with the Delaware & Hudson in October, 1913, as a student in accountancy and after completing the course he was appointed assistant statistician in the office of the accounting vice-president. Mr. Sherwood served as industrial clerk from 1920 to 1923, and was chief clerk to operating vice-president and general manager from 1923 to 1925. Mr. Sherwood was appointed industrial agent in 1925, the position he held until his recent appointment.

H. K. T. Sherwood

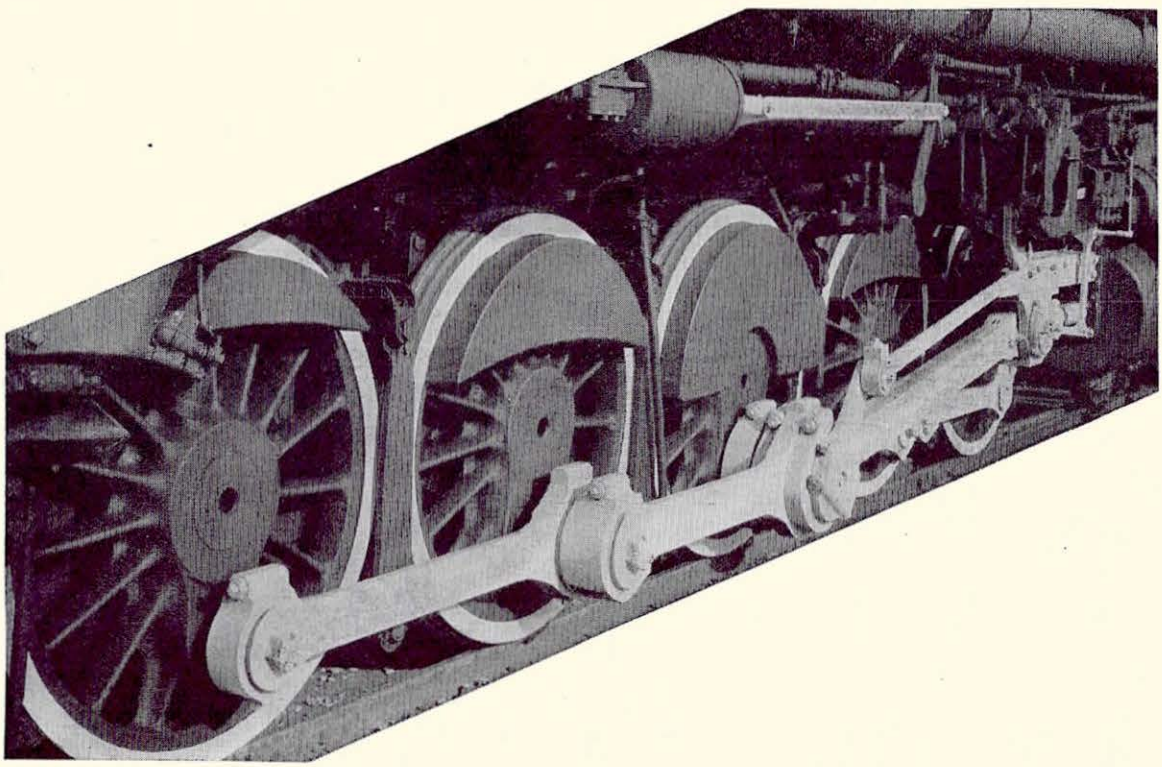
## OPERATING

**C. C. Chapman,** superintendent of the Eastern division of the Missouri Pacific, with headquarters at Jefferson City, Mo., has had his jurisdiction extended to include the Kansas City Terminal division, and will have his headquarters at Kansas City, Mo. **F. T. Mahoney,** superintendent of the Kansas City Terminal division, has

(*Continued on page 536*)

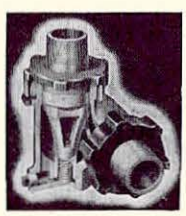
*Tables of Revenues and Expenses of Railways begin on next left-hand page*

# A "SHARE-THE-WORK" PLAN



# For Locomotive Main Pins

Main Pins have long been overworked. As locomotive power has increased the pins have had to transmit the greater forces without much increase in their own dimensions. Bearing pressures have risen and maintenance has increased. « The solution to this situation is a division of the work by using two sets of main pins and two main driving axles. This is accomplished by the Tandem Main Rod Drive. « That the resulting reduction in the work of the main pin reduces maintenance has been thoroughly proved by roads that have kept comparative records. « On a large eastern railroad a full year's test showed that on 2-10-2 type locomotives the Tandem Main Rod Drive reduced the expense of maintaining rods and bushings from $0.018 per mile to $0.003, saving $0.015 per mile and reducing expense 83.3%. « Apply this percentage to your own cost and see what the Tandem Main Rod Drive would mean in your service.



THE FRANKLIN SLEEVE JOINT
saves gaskets and lowers maintenance

**FRANKLIN RAILWAY SUPPLY COMPANY, INC.**

NEW YORK CHICAGO MONTREAL

# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of—Way and structures | Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Akron, Canton & Youngstown | Feb. | 171 | $101,138 | $24 | $106,198 | $9,459 | $10,918 | $8,559 | $32,375 | $10,211 | $70,835 | 66.7 | $36,363 | $24,159 | $13,961 | $28,728 |
| | 2 mos. | 171 | 208,395 | 50 | 220,341 | 20,574 | 21,953 | 17,414 | 69,980 | 20,932 | 149,480 | 67.8 | 70,861 | 48,420 | 26,503 | 41,578 |
| Alton | Feb. | 979 | 696,107 | 128,254 | 931,969 | 80,847 | 113,623 | 40,290 | 411,793 | 36,916 | 695,678 | 74.6 | 236,291 | 126,777 | 7,504 | 8,578 |
| | 2 mos. | 979 | 1,372,022 | 274,475 | 1,867,633 | 161,318 | 242,327 | 90,973 | 843,273 | 111,628 | 1,474,562 | 79.0 | 393,071 | 172,996 | —38,834 | —18,158 |
| Alton & Southern | Feb. | 31 | ..... | ..... | 73,239 | 4,569 | 6,188 | 4,804 | 27,611 | 3,903 | 47,075 | 64.28 | 26,164 | 21,286 | 17,156 | 11,298 |
| | 2 mos. | 31 | ..... | ..... | 146,215 | 10,232 | 13,144 | 9,657 | 55,692 | 8,824 | 97,549 | 66.72 | 48,666 | 38,944 | 29,929 | 27,161 |
| Atchison, Topeka & Santa Fe | Feb. | 9,738 | 4,918,053 | 794,109 | 6,311,953 | 739,938 | 1,873,804 | 315,946 | 2,646,782 | 372,507 | 5,950,309 | 94.3 | 361,644 | —513,262 | —462,378 | 909,582 |
| | 2 mos. | 9,738 | 10,260,198 | 1,726,744 | 13,255,297 | 1,472,447 | 3,817,270 | 628,215 | 5,522,874 | 743,372 | 12,185,229 | 91.9 | 1,070,068 | —674,720 | —582,800 | 953,838 |
| Gulf, Colorado & Santa Fe | Feb. | 1,955 | 766,848 | 34,118 | 854,180 | 192,645 | 227,699 | 49,342 | 354,997 | 62,564 | 886,816 | 103.8 | —32,636 | —119,663 | —221,776 | —1,113 |
| | 2 mos. | 1,955 | 1,702,056 | 81,085 | 1,900,066 | 335,930 | 475,980 | 99,066 | 750,301 | 122,195 | 1,782,908 | 93.8 | 117,158 | —56,079 | —262,292 | —90,088 |
| Panhandle & Santa Fe | Feb. | 1,878 | 481,689 | 17,199 | 536,395 | 67,448 | 143,151 | 17,670 | 184,425 | 28,275 | 440,749 | 82.2 | 95,646 | 51,556 | —25,910 | 12,837 |
| | 2 mos. | 1,878 | 1,033,133 | 44,821 | 1,163,770 | 136,525 | 295,246 | 35,445 | 391,926 | 61,467 | 920,389 | 79.1 | 243,381 | 155,098 | —3,305 | —68,345 |
| Atlanta & West Point | Feb. | 93 | 56,018 | 14,273 | 85,363 | 16,397 | 21,794 | 6,597 | 42,707 | 5,941 | 95,438 | 111.8 | —10,075 | —18,565 | —29,108 | —26,430 |
| | 2 mos. | 93 | 118,614 | 31,349 | 180,303 | 34,868 | 46,410 | 13,250 | 89,548 | 13,520 | 201,696 | 111.9 | —21,393 | —38,360 | —59,814 | —53,705 |
| Western of Alabama | Feb. | 133 | 59,236 | 15,458 | 85,936 | 17,916 | 27,115 | 6,632 | 37,931 | 6,246 | 97,547 | 113.5 | —11,611 | —19,033 | —14,273 | —17,716 |
| | 2 mos. | 133 | 135,455 | 33,788 | 192,326 | 35,605 | 57,779 | 13,557 | 79,716 | 13,773 | 203,881 | 106.0 | —11,555 | —26,408 | —16,478 | —34,466 |
| Atlanta, Birmingham & Coast | Feb. | 639 | 144,504 | 2,853 | 174,856 | 34,358 | 38,553 | 20,101 | 81,852 | 14,741 | 200,317 | 114.5 | —25,461 | —38,967 | —49,245 | —74,219 |
| | 2 mos. | 639 | 309,377 | 6,728 | 369,901 | 71,610 | 78,122 | 37,339 | 169,166 | 30,014 | 407,304 | 110.1 | —37,403 | —65,145 | —88,101 | —192,493 |
| Atlantic Coast Line | Feb. | 5,144 | 2,520,005 | 622,395 | 3,551,047 | 407,876 | 569,219 | 98,779 | 1,161,477 | 124,788 | 2,396,577 | 67.5 | 1,154,470 | 753,771 | 566,353 | 563,314 |
| | 2 mos. | 5,144 | 5,282,592 | 1,128,050 | 7,181,928 | 832,953 | 1,162,855 | 232,693 | 2,389,211 | 258,003 | 4,941,966 | 68.8 | 2,239,962 | 1,437,893 | 1,102,469 | 822,150 |
| Charleston & Western Carolina | Feb. | 342 | 124,932 | 862 | 129,181 | 21,368 | 19,774 | 4,958 | 46,140 | 4,069 | 96,309 | 74.6 | 32,872 | 16,370 | 14,040 | 6,660 |
| | 2 mos. | 342 | 255,954 | 1,839 | 264,401 | 41,028 | 39,354 | 10,869 | 96,234 | 8,771 | 196,256 | 74.2 | 68,145 | 35,076 | 31,585 | 3,370 |
| Baltimore & Ohio | Feb. | 6,401 | 7,200,098 | 542,923 | 8,331,069 | 566,306 | 1,457,367 | 317,120 | 3,179,695 | 498,403 | 6,100,209 | 73.2 | 2,230,860 | 1,515,328 | 1,244,338 | 1,402,591 |
| | 2 mos. | 6,401 | 15,085,603 | 1,218,099 | 17,500,091 | 1,214,344 | 3,030,501 | 655,473 | 6,617,275 | 1,063,549 | 12,744,574 | 72.8 | 4,755,517 | 3,324,634 | 2,815,845 | 2,757,507 |
| Baltimore & Ohio Chic. Term | Feb. | 84 | ..... | ..... | 238,836 | 17,215 | 32,588 | 1,400 | 138,569 | 17,802 | 212,353 | 88.9 | 26,483 | —12,509 | 66,543 | 51,228 |
| | 2 mos. | 84 | ..... | ..... | 488,193 | 34,408 | 82,661 | 3,010 | 276,902 | 32,866 | 439,812 | 90.1 | 48,381 | —29,641 | 134,623 | 139,715 |
| Staten Island Rapid Transit | Feb. | 23 | 50,819 | 74,259 | 130,813 | 8,437 | 11,452 | 1,480 | 73,051 | 10,992 | 105,412 | 80.6 | 25,401 | 9,151 | —9,911 | —3,696 |
| | 2 mos. | 23 | 102,954 | 156,012 | 270,903 | 14,583 | 23,837 | 3,383 | 151,967 | 23,614 | 217,384 | 80.2 | 53,519 | 20,509 | —15,535 | —12,290 |
| Bangor & Aroostook | Feb. | 619 | 572,894 | 23,735 | 615,880 | 74,415 | 87,389 | 4,519 | 120,243 | 22,011 | 309,121 | 50.2 | 306,759 | 249,966 | 225,878 | 206,900 |
| | 2 mos. | 619 | 1,126,419 | 44,314 | 1,209,427 | 146,498 | 169,514 | 9,293 | 244,626 | 45,079 | 616,240 | 51.0 | 593,187 | 481,870 | 437,537 | 448,873 |
| Belt Ry. Co. of Chicago | Feb. | 54 | ..... | ..... | 278,645 | 16,459 | 30,631 | 2,742 | 149,058 | 10,810 | 209,700 | 75.3 | 68,945 | 26,354 | 73,785 | 71,364 |
| | 2 mos. | 54 | ..... | ..... | 543,725 | 31,055 | 62,254 | 5,587 | 288,703 | 21,179 | 408,778 | 75.2 | 134,947 | 49,370 | 226,293 | 137,126 |
| Bessemer & Lake Erie | Feb. | 225 | 164,915 | 871 | 172,556 | 22,474 | 166,671 | 10,115 | 83,042 | 33,478 | 315,780 | 183.0 | —143,224 | —159,387 | —154,046 | —135,712 |
| | 2 mos. | 225 | 325,074 | 1,887 | 340,752 | 42,865 | 296,471 | 20,721 | 169,280 | 66,716 | 596,053 | 174.9 | —255,301 | —296,393 | —257,095 | —312,540 |
| Boston & Maine | Feb. | 2,086 | 1,965,477 | 547,377 | 2,984,356 | 367,295 | 490,486 | 58,430 | 1,253,691 | 162,829 | 2,342,493 | 78.5 | 641,863 | 436,153 | 409,579 | 579,515 |
| | 2 mos. | 2,086 | 4,040,689 | 1,133,928 | 6,144,266 | 747,139 | 1,065,495 | 118,437 | 2,614,270 | 343,720 | 4,905,810 | 79.8 | 1,238,456 | 815,632 | 644,047 | 989,633 |
| Brooklyn Eastern Dist. Term | Feb. | 11 | 51,164 | ..... | 52,077 | 5,306 | 6,267 | 227 | 19,492 | 6,768 | 38,060 | 73.1 | 14,017 | 8,005 | 8,005 | 26,409 |
| | 2 mos. | 11 | 106,729 | ..... | 108,653 | 10,945 | 13,505 | 450 | 40,459 | 13,524 | 78,883 | 72.6 | 29,770 | 17,057 | 17,057 | 46,085 |
| Burlington-Rock Island | Feb. | 280 | 57,764 | 508 | 61,807 | 10,739 | 10,169 | 3,206 | 33,224 | 6,974 | 64,312 | 104.1 | —2,505 | —7,424 | —17,897 | —1,277 |
| | 2 mos. | 280 | 127,049 | 1,145 | 135,555 | 21,341 | 17,155 | 6,436 | 71,800 | 14,388 | 131,120 | 96.7 | 4,435 | —5,834 | —29,091 | —13,173 |
| Cambria & Indiana | Feb. | 37 | 102,738 | ..... | 102,946 | 5,247 | 41,397 | 394 | 11,201 | 7,234 | 65,473 | 63.60 | 37,473 | 21,682 | 86,667 | 70,422 |
| | 2 mos. | 37 | 217,897 | ..... | 218,301 | 10,475 | 79,136 | 790 | 23,671 | 15,077 | 129,149 | 59.16 | 89,152 | 54,591 | 191,625 | 152,476 |
| Canadian Pac. Lines in Maine | Feb. | 233 | 173,137 | 15,006 | 197,008 | 14,931 | 40,404 | 4,181 | 71,015 | 3,559 | 134,090 | 68.1 | 62,918 | 54,918 | 34,104 | 8,758 |
| | 2 mos. | 233 | 335,488 | 30,466 | 385,693 | 28,340 | 76,513 | 8,580 | 149,619 | 7,416 | 270,468 | 70.1 | 115,225 | 99,225 | 57,071 | 46,511 |
| Canadian Pac. Lines in Vermont | Feb. | 85 | 33,917 | 8,785 | 55,288 | 8,274 | 18,892 | 1,854 | 48,839 | 2,392 | 80,251 | 145.1 | —24,963 | —30,463 | —47,138 | —54,220 |
| | 2 mos. | 85 | 65,732 | 21,118 | 112,944 | 17,344 | 35,847 | 3,832 | 102,046 | 5,013 | 164,082 | 145.3 | —51,138 | —62,138 | —97,993 | —87,935 |
| Central of Georgia | Feb. | 1,944 | 632,581 | 87,318 | 825,595 | 94,689 | 183,456 | 43,904 | 371,059 | 64,995 | 761,659 | 92.3 | 63,936 | —32,922 | —65,888 | —6,903 |
| | 2 mos. | 1,944 | 1,283,128 | 168,385 | 1,655,315 | 194,705 | 381,376 | 94,227 | 763,330 | 132,988 | 1,573,606 | 95.1 | 81,709 | —111,660 | —174,072 | —42,054 |
| Central New Jersey | Feb. | 691 | 1,680,023 | 338,024 | 2,151,808 | 133,330 | 372,800 | 36,893 | 838,725 | 95,902 | 1,489,681 | 69.2 | 662,127 | 471,484 | 395,952 | 438,699 |
| | 2 mos. | 691 | 3,331,485 | 697,230 | 4,300,005 | 292,239 | 775,543 | 74,014 | 1,732,624 | 194,163 | 3,093,688 | 71.9 | 1,206,317 | 839,701 | 684,027 | 655,378 |
| Central Vermont | Feb. | 457 | 249,475 | 41,447 | 328,580 | 45,998 | 85,122 | 12,972 | 162,342 | 18,693 | 325,296 | 99.0 | 3,284 | —12,310 | —7,457 | —3,249 |
| | 2 mos. | 457 | 523,580 | 81,498 | 690,728 | 92,952 | 174,275 | 27,405 | 345,800 | 39,070 | 679,724 | 98.4 | 11,004 | —20,186 | —20,018 | —12,727 |
| Chesapeake & Ohio | Feb. | 3,144 | 7,228,489 | 153,720 | 7,626,140 | 966,660 | 1,285,853 | 139,812 | 1,803,771 | 263,827 | 4,467,517 | 58.6 | 3,158,623 | 2,399,078 | 2,404,011 | 2,249,267 |
| | 2 mos. | 3,144 | 14,731,849 | 350,848 | 15,580,382 | 1,890,805 | 2,857,022 | 292,779 | 3,688,199 | 550,712 | 9,302,839 | 59.7 | 6,277,543 | 4,761,908 | 4,739,989 | 4,200,793 |
| Chicago & Eastern Illinois | Feb. | 938 | 811,754 | 71,201 | 968,658 | 109,954 | 160,437 | 52,397 | 426,978 | 53,969 | 811,102 | 83.7 | 157,556 | 57,054 | —70,217 | —115,714 |
| | 2 mos. | 938 | 1,570,590 | 151,609 | 1,892,100 | 240,960 | 316,868 | 105,806 | 859,353 | 113,659 | 1,650,911 | 87.3 | 241,189 | 40,523 | —210,156 | —304,914 |

Continued on next left-hand page

## . . a shortened arch falls short of full economy

SCRUTINIZE every dollar of expenditure today. But do it thoroughly, considering the inter-relating effect on other items, to determine the net economy.

Paring down on Arch Brick only means buying more fuel. Here is one false economy that means a net loss to the railroad.

Now, when economy is needed so sorely, don't handicap the effectiveness of the Arch by skimping on Arch Brick.

Any reduction in the number of courses of the Arch wastes $10.00 in fuel for every $1.00 of Arch Brick thus saved.

You need a full Arch for full economy.

**HARBISON-WALKER REFRACTORIES CO.**
*Refractory Specialists*

**AMERICAN ARCH CO.**
INCORPORATED
*Locomotive Combustion Specialists*

# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933—CONTINUED

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of: Way and structures | Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Chicago & Illinois Midland | Feb. | 131 | $199,011 | $998 | $206,345 | $21,437 | $40,482 | $14,961 | $56,284 | $15,321 | $148,485 | 72.0 | $57,860 | $48,925 | $50,510 | $75,893 |
| | 2 mos. | 131 | 394,253 | 2,863 | 410,047 | 54,575 | 94,240 | 30,451 | 115,642 | 30,204 | 325,172 | 79.3 | 84,875 | 66,929 | 70,647 | 123,045 |
| Chicago & North Western | Feb. | 8,442 | 3,537,836 | 578,570 | 4,658,174 | 479,806 | 1,225,366 | 136,454 | 2,194,049 | 256,030 | 4,317,966 | 92.7 | 340,208 | —280,069 | —484,928 | 181,641 |
| | 2 mos. | 8,442 | 7,149,521 | 1,239,777 | 9,500,815 | 918,133 | 2,471,352 | 284,273 | 4,471,686 | 526,269 | 8,729,553 | 91.9 | 771,262 | —464,980 | —898,604 | —92,096 |
| Chicago, Burlington & Quincy | Feb. | 9,248 | 4,040,408 | 402,106 | 5,024,039 | 392,139 | 885,663 | 179,219 | 2,139,228 | 274,331 | 3,911,231 | 77.9 | 1,112,808 | 436,862 | 181,116 | 996,736 |
| | 2 mos. | 9,248 | 8,186,401 | 871,795 | 10,269,191 | 855,562 | 1,825,337 | 368,945 | 4,394,912 | 569,420 | 8,101,120 | 78.9 | 2,168,071 | 821,569 | 301,957 | 1,631,742 |
| Chicago Great Western | Feb. | 1,499 | 818,346 | 33,183 | 916,280 | 153,114 | 160,848 | 47,461 | 436,231 | 44,194 | 841,726 | 91.9 | 74,554 | 13,739 | —174,717 | 47,071 |
| | 2 mos. | 1,499 | 1,715,966 | 72,837 | 1,926,997 | 306,929 | 328,440 | 99,760 | 886,621 | 94,382 | 1,713,399 | 88.9 | 213,598 | 91,761 | —282,022 | 48,085 |
| Chicago, Indianapolis & Louisville | Feb. | | | | | | | (NOT YET FILED) | | | | | | | | |
| | 2 mos. | | | | | | | (NOT YET FILED) | | | | | | | | |
| Chicago, Mil., St. Paul & Pacific | Feb. | 11,242 | 4,565,152 | 323,488 | 5,450,910 | 538,143 | 1,254,724 | 197,256 | 2,485,605 | 243,272 | 4,744,639 | 87.0 | 706,271 | 35,221 | —344,092 | —93,256 |
| | 2 mos. | 11,242 | 9,400,072 | 689,411 | 11,243,676 | 1,081,180 | 2,599,128 | 409,633 | 5,082,131 | 529,443 | 9,761,672 | 86.8 | 1,482,004 | 138,758 | —663,560 | —302,585 |
| Chicago River & Indiana | Feb. | 20 | ..... | ..... | 308,629 | 13,000 | 20,000 | 1,239 | 106,477 | 10,637 | 151,353 | 49.0 | 157,276 | 137,993 | 186,415 | 205,750 |
| | 2 mos. | 20 | ..... | ..... | 641,763 | 26,500 | 40,000 | 2,909 | 223,131 | 22,485 | 315,025 | 49.1 | 326,738 | 281,254 | 386,232 | 430,892 |
| Chicago, Rock Island & Pacific | Feb. | 7,611 | 3,440,506 | 387,044 | 4,249,211 | 405,430 | 969,843 | 178,581 | 2,008,252 | 266,703 | 3,883,150 | 91.4 | 366,061 | —99,595 | —391,277 | 302,495 |
| | 2 mos. | 7,611 | 7,220,904 | 819,751 | 8,929,376 | 845,430 | 2,016,106 | 360,126 | 4,112,821 | 537,758 | 7,983,612 | 89.4 | 945,764 | 10,402 | —550,837 | 141,192 |
| Chicago, Rock Island & Gulf | Feb. | 721 | 226,275 | 17,841 | 237,908 | 27,269 | 29,273 | 15,644 | 90,012 | 18,443 | 182,824 | 76.8 | 55,084 | 33,546 | —41,638 | 62,518 |
| | 2 mos. | 721 | 495,392 | 41,195 | 518,429 | 60,275 | 64,226 | 32,282 | 196,580 | 37,978 | 395,888 | 76.4 | 122,541 | 79,490 | —62,565 | 138,262 |
| Chic., St. Paul, Minn. & Omaha | Feb. | 1,736 | 755,807 | 98,479 | 919,419 | 91,157 | 158,758 | 29,911 | 503,799 | 64,504 | 855,030 | 93.0 | 64,389 | —15,037 | —74,219 | —11,694 |
| | 2 mos. | 1,736 | 1,493,105 | 200,916 | 1,837,292 | 191,361 | 317,261 | 60,887 | 1,032,159 | 128,796 | 1,741,660 | 94.8 | 95,632 | —64,585 | —188,837 | —160,284 |
| Clinchfield R. R. | Feb. | 309 | 358,438 | 1,878 | 364,225 | 33,151 | 80,445 | 14,765 | 65,128 | 13,275 | 206,764 | 56.8 | 157,461 | 102,461 | 115,146 | 66,892 |
| | 2 mos. | 309 | 750,972 | 4,072 | 764,713 | 66,197 | 161,387 | 29,849 | 133,552 | 27,312 | 418,297 | 54.7 | 346,416 | 236,417 | 259,365 | 133,260 |
| Colorado & Southern | Feb. | 1,030 | 323,314 | 19,378 | 383,744 | 24,400 | 83,552 | 12,500 | 163,479 | 30,771 | 314,700 | 82.0 | 69,044 | 12,290 | 2,164 | —7,095 |
| | 2 mos. | 1,030 | 628,218 | 40,368 | 750,979 | 58,121 | 174,037 | 24,364 | 332,412 | 62,474 | 650,764 | 86.7 | 100,215 | —12,959 | —41,883 | —3,693 |
| Ft. Worth & Denver City | Feb. | 804 | 271,553 | 26,136 | 352,071 | 25,114 | 60,622 | 14,990 | 118,783 | 30,245 | 250,912 | 71.3 | 101,159 | 73,788 | 49,648 | 117,612 |
| | 2 mos. | 804 | 590,326 | 59,208 | 770,643 | 49,648 | 134,254 | 30,247 | 254,663 | 62,767 | 533,138 | 69.2 | 237,505 | 182,573 | 140,509 | 226,936 |
| Columbus & Greenville | Feb. | 167 | 36,336 | 2,723 | 43,350 | 13,451 | 9,161 | 2,316 | 22,491 | 7,782 | 55,201 | 127.3 | —11,851 | —13,602 | —12,778 | 1,269 |
| | 2 mos. | 167 | 77,944 | 6,000 | 93,044 | 25,676 | 20,023 | 4,984 | 47,489 | 16,610 | 114,782 | 123.4 | —21,738 | —24,871 | —22,723 | —14,806 |
| Conemaugh & Black Lick | Feb. | 20 | 11,297 | ..... | 24,079 | 2,156 | 5,138 | 221 | 12,651 | 2,726 | 22,892 | 95.1 | 1,187 | 887 | 2,054 | —7,148 |
| | 2 mos. | 20 | 21,964 | ..... | 48,425 | 6,827 | 11,563 | 583 | 25,995 | 3,773 | 48,741 | 100.1 | —316 | —916 | 1,424 | —12,418 |
| Delaware & Hudson | Feb. | 854 | 1,428,203 | 79,919 | 1,599,962 | 268,893 | 462,630 | 48,957 | 747,715 | 134,597 | 1,665,328 | 104.1 | —65,366 | —150,595 | —136,878 | —77,453 |
| | 2 mos. | 854 | 2,857,168 | 174,718 | 3,223,491 | 549,236 | 980,621 | 94,649 | 1,536,366 | 272,146 | 3,433,210 | 106.5 | —209,719 | — 380,193 | —341,851 | —207,115 |
| Delaware, Lackawanna & Western | Feb. | 998 | 2,273,193 | 494,703 | 3,192,472 | 267,264 | 770,977 | 106,151 | 1,508,937 | 152,686 | 2,829,696 | 88.6 | 362,776 | —37,760 | —62,680 | 479,237 |
| | 2 mos. | 998 | 4,503,825 | 1,032,338 | 6,433,451 | 508,323 | 1,513,636 | 218,364 | 3,108,817 | 310,811 | 5,708,641 | 88.7 | 724,810 | —75,907 | —116,458 | 730,612 |
| Denver & Rio Grande Western | Feb. | 2,513 | 941,651 | 44,713 | 1,048,653 | 118,809 | 299,000 | 43,683 | 400,047 | 71,710 | 936,509 | 89.3 | 112,144 | —38,469 | —19,091 | 14,492 |
| | 2 mos. | 2,513 | 1,997,581 | 99,660 | 2,229,788 | 237,848 | 551,552 | 90,039 | 830,207 | 147,944 | 1,864,387 | 83.6 | 365,401 | 64,749 | 110,406 | 125,192 |
| Denver & Salt Lake | Feb. | 232 | 136,816 | 4,063 | 151,233 | 14,281 | 24,159 | 1,444 | 25,646 | 11,087 | 76,617 | 50.7 | 74,616 | 60,616 | 64,034 | 74,458 |
| | 2 mos. | 232 | 230,213 | 9,002 | 259,679 | 29,305 | 45,590 | 3,003 | 49,308 | 22,498 | 149,704 | 57.6 | 109,975 | 81,741 | 89,215 | 198,758 |
| Detroit & Mackinac | Feb. | 242 | 24,432 | 1,686 | 31,442 | 6,762 | 5,757 | 1,046 | 19,895 | 3,162 | 36,622 | 116.5 | —5,180 | —10,917 | —11,553 | —2,076 |
| | 2 mos. | 242 | 51,659 | 4,116 | 65,726 | 14,154 | 12,667 | 2,192 | 42,511 | 6,736 | 78,260 | 119.1 | —12,534 | —24,104 | —25,319 | —11,150 |
| Detroit & Toledo Shore Line | Feb. | 50 | 254,297 | ..... | 255,334 | 15,149 | 19,686 | 6,372 | 57,848 | 7,111 | 106,166 | 41.6 | 149,168 | 122,286 | 77,605 | 69,265 |
| | 2 mos. | 50 | 502,583 | ..... | 505,366 | 28,894 | 39,431 | 12,748 | 115,307 | 14,758 | 211,138 | 41.8 | 294,228 | 241,493 | 152,957 | 139,843 |
| Detroit Terminal | Feb. | 19 | ..... | ..... | 52,071 | 3,783 | 7,684 | ..... | 29,397 | 2,833 | 43,697 | 83.9 | 8,374 | —3,376 | —6,793 | 286 |
| | 2 mos. | 19 | ..... | ..... | 104,338 | 7,751 | 15,377 | ..... | 56,611 | 5,409 | 85,148 | 81.6 | 19,190 | —4,312 | —12,505 | —5,729 |
| Detroit, Toledo & Ironton | Feb. | 472 | 297,408 | 203 | 305,494 | 18,727 | 50,772 | 9,277 | 85,539 | 18,662 | 181,928 | 59.6 | 123,566 | 80,666 | 63,864 | 36,216 |
| | 2 mos. | 472 | 624,690 | 475 | 641,825 | 41,661 | 104,356 | 18,168 | 178,859 | 39,465 | 380,482 | 59.3 | 261,343 | 176,529 | 135,369 | 60,952 |
| Duluth, Missabe & Northern | Feb. | 563 | 45,365 | 862 | 57,759 | 69,840 | 143,318 | 2,776 | 108,484 | 39,409 | 363,827 | 629.9 | —306,068 | —311,591 | —313,469 | —363,206 |
| | 2 mos. | 563 | 85,788 | 1,918 | 111,821 | 141,174 | 282,986 | 6,006 | 219,962 | 79,735 | 729,863 | 652.7 | —618,042 | —628,835 | —633,296 | —769,061 |
| Duluth, Winnipeg & Pacific | Feb. | 178 | 53,042 | 1,470 | 56,771 | 15,090 | 24,901 | 2,384 | 33,359 | 4,303 | 80,047 | 141.0 | —23,276 | —26,087 | —6,201 | 23,464 |
| | 2 mos. | 178 | 102,306 | 3,084 | 110,884 | 31,568 | 46,653 | 4,622 | 67,661 | 8,365 | 158,863 | 143.3 | —47,979 | —53,556 | —13,156 | 32,868 |
| Elgin, Joliet & Eastern | Feb. | 447 | 536,212 | ..... | 568,352 | 69,905 | 146,199 | 11,326 | 262,127 | 48,567 | 538,122 | 94.7 | 30,230 | —70,530 | —109,427 | —53,855 |
| | 2 mos. | 447 | 1,080,200 | ..... | 1,150,336 | 135,967 | 294,094 | 23,366 | 522,251 | 99,335 | 1,075,009 | 93.5 | 75,327 | —126,125 | —198,623 | —148,770 |
| Erie Railroad | Feb. | 2,046 | 3,668,471 | 396,405 | 4,424,945 | 404,935 | 1,049,393 | 125,510 | 1,751,414 | 236,753 | 3,576,938 | 80.8 | 848,007 | 506,979 | 394,241 | 669,516 |
| | 2 mos. | 2,046 | 7,464,133 | 840,429 | 9,062,752 | 801,436 | 2,077,136 | 255,470 | 3,619,681 | 472,345 | 7,247,028 | 80.0 | 1,815,724 | 1,124,068 | 908,069 | 1,082,343 |
| Chicago & Erie | Feb. | 269 | 568,276 | 10,395 | 611,360 | 61,352 | 78,402 | 22,805 | 185,982 | 32,826 | 381,348 | 62.4 | 230,012 | 194,101 | 4,455 | 30,006 |
| | 2 mos. | 269 | 1,204,882 | 27,041 | 1,304,605 | 118,752 | 188,575 | 45,174 | 381,007 | 65,678 | 798,952 | 61.2 | 505,653 | 433,932 | 41,503 | —15,862 |

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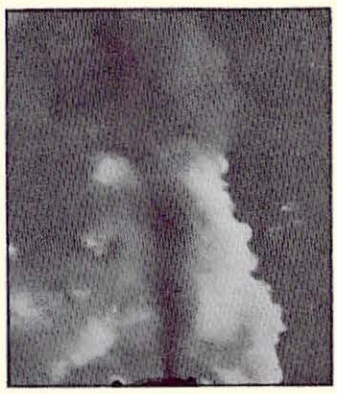

## Why Do Some Locomotives

# *Burn 12 to 15% More Fuel?*

THOSE locomotives pass all of their exhaust steam through the exhaust nozzle . . . which represents 58 per cent of the fuel burned.

All of the engine exhaust is not needed for draft; a part of it may be reclaimed to the boiler—through an Elesco feed water heater. In this simple equipment, exhaust steam is used to preheat the boiler feed water, thereby returning heat to the boiler equivalent to 12 to 15 per cent of the fuel burned—and returning water (condensate) to the tender equivalent to 15 per cent of the water used.

Here is a simple effective way of cutting the fuel and water costs of your locomotive . . . now in use on nearly 4000 locomotives. Write for details—no obligation.

## THE SUPERHEATER COMPANY

*Representative of* American Throttle Company, Inc.

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CANADA: The Superheater Company, Limited, Montreal

*Superheaters - Feed Water Heaters - Exhaust Steam Injectors - Superheated Steam Pyrometers - American Throttles*

# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933—CONTINUED

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of—Way and structures | Maintenance of—Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Jersey & New York | Feb. | 45 | $15,811 | $63,623 | $80,902 | $7,162 | $21,662 | $1,493 | $46,609 | $3,353 | $80,279 | 99.2 | $623 | —$4,377 | —$22,247 | —$17,170 |
| | 2 mos. | 45 | 30,252 | 136,610 | 169,987 | 15,445 | 45,616 | 2,824 | 97,958 | 6,591 | 168,434 | 99.1 | 1,553 | —8,460 | —47,652 | —46,865 |
| N. Y., Susquehanna & Western | Feb. | 131 | 226,669 | 26,079 | 268,369 | 20,473 | 47,179 | 4,479 | 105,652 | 10,417 | 188,200 | 70.1 | 80,169 | 49,416 | 32,700 | 28,768 |
| | 2 mos. | 131 | 440,451 | 55,608 | 524,637 | 46,901 | 97,661 | 8,791 | 218,676 | 20,566 | 392,595 | 74.8 | 132,042 | 71,009 | 41,395 | 21,659 |
| Florida East Coast | Feb. | 839 | 565,762 | 274,503 | 926,666 | 100,277 | 140,231 | 21,404 | 195,677 | 39,306 | 502,822 | 54.3 | 423,844 | 348,609 | 302,086 | 301,745 |
| | 2 mos. | 839 | 1,080,754 | 448,633 | 1,696,185 | 201,565 | 280,316 | 42,770 | 390,205 | 78,652 | 1,006,862 | 59.4 | 689,323 | 538,885 | 456,202 | 475,021 |
| Fort Smith & Western | Feb. | 249 | 49,560 | 928 | 54,097 | 12,449 | 10,557 | 4,478 | 18,927 | 4,203 | 50,762 | 93.8 | 3,335 | 734 | —1,419 | —8,479 |
| | 2 mos. | 249 | 98,680 | 1,820 | 108,835 | 24,805 | 21,875 | 8,964 | 38,602 | 8,744 | 103,288 | 94.9 | 5,547 | 344 | —2,808 | —4,839 |
| Galveston Wharf | Feb. | 11 | ..... | ..... | 80,973 | 30,430 | 3,139 | 2,548 | 17,547 | 5,144 | 62,678 | 77.4 | 18,295 | —1,721 | —1,771 | 58,024 |
| | 2 mos. | 11 | ..... | ..... | 171,154 | 64,794 | 7,196 | 5,991 | 37,217 | 13,917 | 137,403 | 80.3 | 33,751 | —6,275 | —6,275 | 106,534 |
| Georgia R. R. | Feb. | 329 | 179,447 | 10,275 | 206,261 | 25,227 | 40,266 | 14,516 | 102,945 | 11,681 | 194,931 | 94.5 | 11,330 | 5,090 | 11,405 | —614 |
| | 2 mos. | 329 | 384,590 | 23,086 | 443,351 | 51,891 | 86,189 | 31,155 | 209,020 | 24,977 | 403,900 | 91.1 | 39,451 | 27,115 | 40,735 | —27,229 |
| Georgia & Florida | Feb. | 463 | 47,145 | 698 | 52,050 | 15,288 | 13,690 | 8,014 | 29,118 | 6,416 | 72,708 | 139.7 | —20,658 | —25,658 | —29,418 | —27,838 |
| | 2 mos. | 463 | 97,722 | 1,603 | 107,956 | 30,401 | 25,885 | 16,443 | 59,297 | 13,102 | 145,493 | 134.8 | —37,537 | —47,537 | —54,859 | —54,113 |
| Grand Trunk Western | Feb. | 1,002 | 1,032,402 | 44,930 | 1,146,685 | 140,224 | 267,848 | 36,760 | 546,008 | 73,424 | 1,065,575 | 92.9 | 81,110 | —18,993 | —123,671 | —132,173 |
| | 2 mos. | 1,002 | 2,087,236 | 101,538 | 2,359,049 | 281,532 | 545,216 | 71,281 | 1,093,557 | 148,971 | 2,145,057 | 90.9 | 213,992 | 11,876 | —201,945 | —336,856 |
| Canadian Nat'l Lines in New Eng. | Feb. | 172 | 72,561 | 5,864 | 88,938 | 13,355 | 14,925 | 3,149 | 48,975 | 8,299 | 90,994 | 102.3 | —2,056 | —16,186 | —51,063 | —74,355 |
| | 2 mos. | 172 | 142,949 | 15,217 | 181,088 | 33,923 | 31,788 | 6,071 | 106,864 | 17,553 | 200,983 | 110.9 | —19,895 | —48,155 | —118,549 | —170,558 |
| Great Northern | Feb. | 8,453 | 2,533,813 | 237,547 | 3,128,110 | 329,939 | 852,435 | 143,003 | 1,581,272 | 179,480 | 3,115,070 | 99.6 | 13,040 | —467,461 | 640,495 | —540,803 |
| | 2 mos. | 8,455 | 5,459,602 | 492,358 | 6,709,791 | 733,450 | 1,779,593 | 300,919 | 3,247,400 | 375,544 | 6,482,222 | 96.6 | 227,569 | —791,191 | —1,156,908 | —1,275,958 |
| Green Bay & Western | Feb. | 234 | 80,749 | 958 | 84,189 | 17,226 | 11,300 | 4,343 | 37,018 | 2,521 | 72,219 | 85.8 | 11,970 | 5,970 | 5,245 | 1,982 |
| | 2 mos. | 234 | 160,029 | 1,902 | 166,483 | 32,713 | 22,122 | 9,022 | 77,049 | 5,074 | 145,791 | 87.5 | 20,692 | 8,692 | 6,081 | —4,887 |
| Gulf & Ship Island | Feb. | 307 | 64,181 | 7,495 | 81,476 | 10,212 | 19,492 | 2,116 | 39,196 | 4,173 | 75,662 | 92.9 | 5,814 | —14,479 | —28,125 | —21,119 |
| | 2 mos. | 307 | 137,726 | 14,406 | 170,201 | 20,313 | 41,073 | 4,342 | 82,269 | 8,539 | 157,673 | 92.6 | 12,528 | —25,550 | —50,751 | —58,688 |
| Gulf, Mobile & Northern | Feb. | 733 | 179,493 | 7,570 | 199,924 | 30,621 | 40,630 | 17,889 | 82,133 | 16,082 | 187,355 | 93.71 | 12,569 | —8,447 | —26,528 | —37,317 |
| | 2 mos. | 733 | 393,264 | 15,775 | 436,596 | 65,044 | 75,318 | 38,676 | 175,865 | 33,715 | 388,618 | 89.01 | 47,978 | 5,953 | —34,051 | —76,156 |
| Illinois Central | Feb. | 5,014 | 4,600,572 | 562,717 | 5,543,291 | 386,754 | 1,283,196 | 166,528 | 2,201,360 | 319,146 | 4,384,077 | 79.1 | 1,159,214 | 672,633 | 602,463 | 1,300,910 |
| | 2 mos. | 5,014 | 9,299,803 | 1,142,312 | 11,253,072 | 763,125 | 2,626,005 | 342,829 | 4,455,814 | 659,628 | 8,905,193 | 79.1 | 2,347,879 | 1,366,048 | 1,185,393 | 1,937,585 |
| Yazoo & Mississippi Valley | Feb. | 1,673 | 627,394 | 49,550 | 737,735 | 56,663 | 145,355 | 21,377 | 365,190 | 45,420 | 634,316 | 86.0 | 103,419 | —27,794 | —128,969 | —121,557 |
| | 2 mos. | 1,673 | 1,435,705 | 105,296 | 1,671,335 | 120,136 | 288,714 | 44,144 | 765,756 | 93,372 | 1,313,265 | 78.6 | 358,070 | 97,652 | —101,590 | —98,728 |
| Illinois Central System | Feb. | 6,687 | 5,227,966 | 612,267 | 6,281,026 | 443,417 | 1,428,551 | 187,905 | 2,566,550 | 364,566 | 5,018,393 | 79.9 | 1,262,633 | 645,839 | 473,494 | 1,179,353 |
| | 2 mos. | 6,687 | 10,735,508 | 1,247,608 | 12,924,407 | 883,261 | 2,914,719 | 386,973 | 5,221,570 | 753,000 | 10,218,458 | 79.1 | 2,705,949 | 1,463,700 | 1,083,803 | 1,838,857 |
| Illinois Terminal | Feb. | 545 | 265,625 | 48,124 | 326,186 | 31,783 | 46,333 | 14,729 | 137,660 | 19,052 | 249,448 | 76.47 | 76,738 | 53,180 | 27,587 | 33,688 |
| | 2 mos. | 545 | 545,726 | 96,883 | 666,540 | 67,576 | 99,531 | 29,101 | 280,797 | 32,730 | 509,626 | 76.46 | 156,914 | 109,760 | 57,453 | 94,947 |
| Kansas City Southern | Feb. | 783 | 541,187 | 11,390 | 624,599 | 61,359 | 110,794 | 36,432 | 209,163 | 55,470 | 474,766 | 76.0 | 149,833 | 73,551 | 62,195 | 86,970 |
| | 2 mos. | 783 | 1,107,354 | 25,203 | 1,280,480 | 127,719 | 230,270 | 75,236 | 434,886 | 111,553 | 982,591 | 76.7 | 297,889 | 144,989 | 122,586 | 250,828 |
| Texarkana & Ft. Smith | Feb. | 98 | 48,564 | 827 | 58,228 | 6,818 | 6,672 | 4,651 | 26,370 | 7,624 | 53,391 | 91.7 | 4,837 | —2,779 | —19,785 | —22,968 |
| | 2 mos. | 98 | 110,960 | 1,735 | 130,135 | 15,452 | 11,184 | 10,004 | 52,357 | 15,414 | 106,652 | 82.0 | 23,483 | 8,255 | —24,341 | —32,526 |
| Kansas, Oklahoma & Gulf | Feb. | 326 | 122,060 | 218 | 125,217 | 7,813 | 11,197 | 6,627 | 32,699 | 7,321 | 65,630 | 52.4 | 59,587 | 44,858 | 32,973 | 21,559 |
| | 2 mos. | 326 | 260,411 | 569 | 266,508 | 16,568 | 24,664 | 13,455 | 66,890 | 15,228 | 136,547 | 51.2 | 129,961 | 100,519 | 75,773 | 67,811 |
| Lake Superior & Ishpeming | Feb. | 160 | 17,032 | 98 | 18,634 | 15,011 | 12,444 | 454 | 14,596 | 5,612 | 48,117 | 258.2 | —29,483 | —41,998 | —42,647 | —42,170 |
| | 2 mos. | 160 | 40,910 | 189 | 44,207 | 28,479 | 25,189 | 950 | 30,087 | 11,068 | 95,773 | 216.6 | —51,566 | —76,598 | —78,329 | —89,713 |
| Lake Terminal | Feb. | 12 | ..... | ..... | 21,632 | 2,443 | 3,883 | ..... | 12,688 | 2,675 | 21,689 | 100.3 | —57 | —2,890 | —3,495 | —6,119 |
| | 2 mos. | 12 | ..... | ..... | 45,616 | 4,150 | 7,838 | ..... | 26,267 | 5,193 | 43,448 | 95.2 | 2,168 | —3,498 | —4,809 | —12,543 |
| Lehigh & Hudson River | Feb. | 96 | 101,349 | 411 | 109,012 | 10,487 | 17,665 | 3,063 | 39,425 | 6,770 | 77,410 | 71.0 | 31,602 | 19,708 | 9,186 | —18,689 |
| | 2 mos. | 96 | 206,607 | 621 | 222,357 | 19,423 | 36,479 | 6,162 | 80,698 | 12,939 | 155,701 | 70.0 | 66,656 | 42,572 | 20,845 | —6,585 |
| Lehigh & New England | Feb. | 228 | 215,709 | 435 | 218,897 | 22,508 | 50,875 | 4,688 | 78,746 | 15,214 | 172,016 | 78.6 | 46,881 | 40,225 | 53,172 | 52,256 |
| | 2 mos. | 228 | 428,149 | 846 | 433,676 | 45,198 | 112,126 | 9,771 | 190,997 | 32,206 | 390,289 | 90.0 | 43,387 | 30,576 | 50,508 | 108,262 |
| Lehigh Valley | Feb | 1,360 | 2,482,022 | 175,033 | 2,881,138 | 135,369 | 638,749 | 104,594 | 1,259,595 | 123,603 | 2,274,597 | 78.9 | 606,541 | 349,393 | 239,947 | 295,591 |
| | 2 mos. | 1,361 | 4,858,394 | 351,798 | 5,672,087 | 336,670 | 1,343,663 | 214,285 | 2,596,628 | 252,713 | 4,771,098 | 84.1 | 900,989 | 378,286 | 161,391 | 240,479 |
| Louisiana & Arkansas | Feb. | 608 | 293,983 | 9,067 | 322,048 | 25,678 | 52,910 | 19,729 | 80,811 | 16,361 | 194,667 | 60.4 | 127,381 | 97,017 | 75,772 | 45,507 |
| | 2 mos. | 608 | 569,406 | 17,026 | 629,833 | 58,508 | 104,262 | 38,284 | 161,520 | 32,533 | 392,968 | 62.4 | 236,865 | 176,154 | 147,011 | 113,505 |
| Louisiana, Arkansas & Texas | Feb. | 255 | 40,486 | 215 | 46,500 | 15,856 | 7,355 | 3,204 | 22,190 | 4,319 | 52,924 | 113.8 | —6,424 | —8,950 | —17,415 | —3,484 |
| | 2 mos. | 255 | 101,169 | 549 | 112,476 | 32,364 | 16,563 | 6,562 | 48,290 | 8,577 | 112,356 | 87.6 | 120 | —4,149 | —25,043 | —11,961 |
| Louisville & Nashville | Feb. | 5,166 | 4,324,814 | 334,899 | 5,002,178 | 516,831 | 1,016,552 | 147,740 | 1,776,342 | 246,580 | 3,730,448 | 74.6 | 1,271,730 | 895,827 | 956,195 | 359,356 |
| | 2 mos. | 5,166 | 8,687,274 | 715,959 | 10,151,504 | 1,062,184 | 2,101,261 | 320,933 | 3,658,271 | 502,230 | 7,700,306 | 75.9 | 2,451,198 | 1,696,372 | 1,806,689 | 439,194 |

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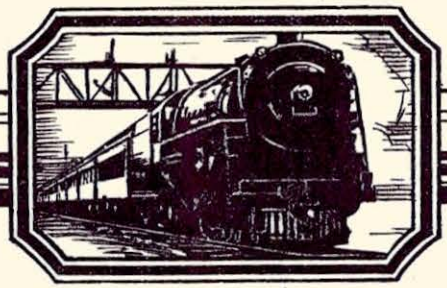

Alco Alco

# TO ECONOMIZE— MODERNIZE

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"Freight-train schedules in main-line service approaching passenger-train speeds, which have been responsible for the steadily increasing speed average, are beyond the physical ability of much of the motive power at present owned by the railroads.

"If the older locomotives are returned to service, not only will the service which they perform be directly slowed up, but the ability to utilize the capacity of modern motive power will also be destroyed.

"The retention of the obsolete locomotives will destroy the value of the modern."

*From an editorial in the Railway Mechanical Engineer*

**American Locomotive Company**
**30 Church Street New York N.Y.**

Alco Alco

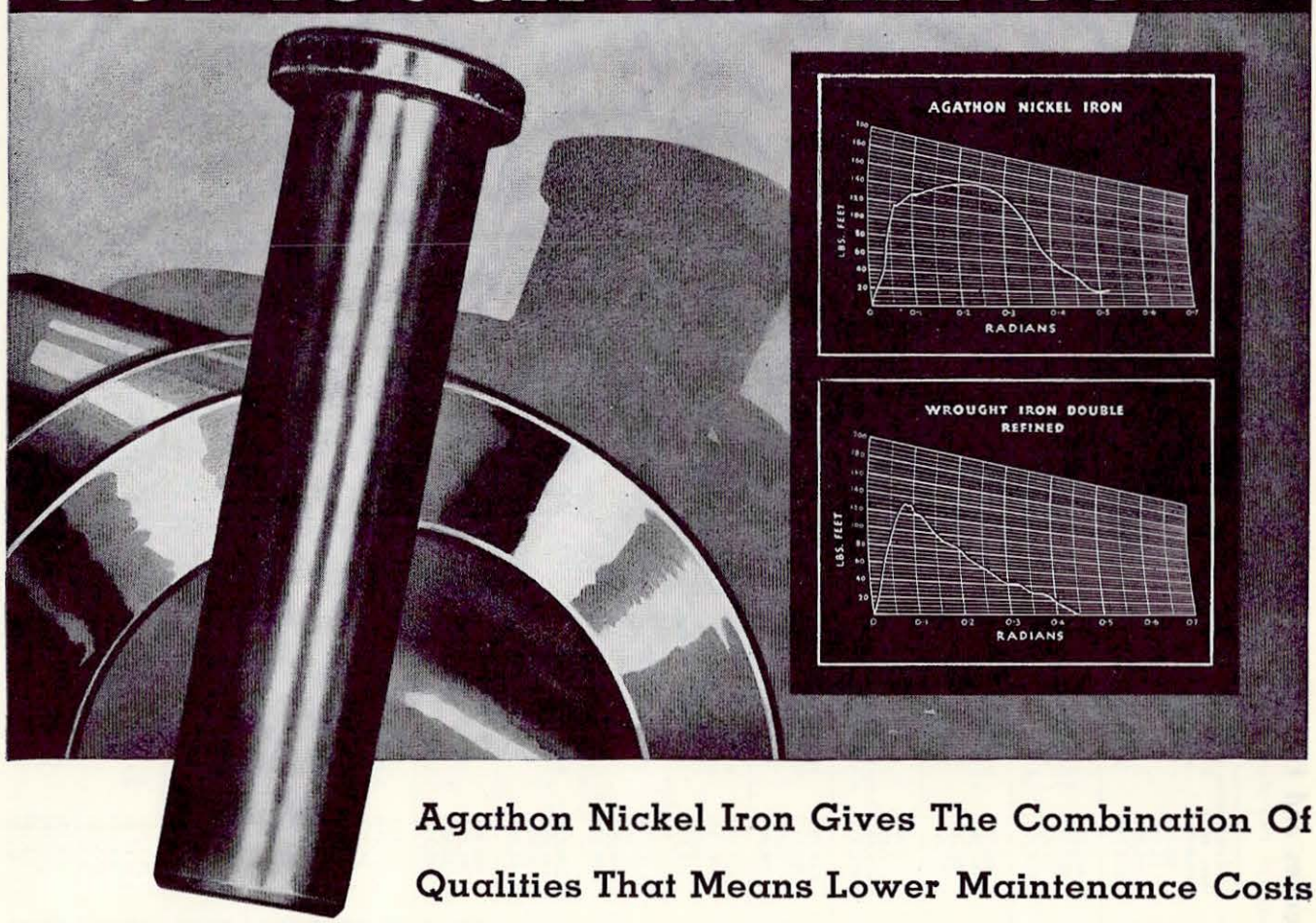
# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933—CONTINUED

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of Way and structures | Maintenance of Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maine Central | Feb. | 1,117 | $612,651 | $64,887 | $757,353 | $83,905 | $127,442 | $9,919 | $320,504 | $34,590 | $575,945 | 76.0 | $181,407 | $134,615 | $93,245 | $104,026 |
| | 2 mos. | 1,117 | 1,233,516 | 140,173 | 1,529,348 | 194,908 | 259,040 | 19,576 | 663,636 | 72,827 | 1,209,400 | 79.1 | 319,947 | 226,323 | 151,494 | 84,272 |
| Midland Valley | Feb. | 363 | 104,272 | 377 | 108,531 | 9,149 | 8,594 | 2,725 | 27,450 | 6,511 | 54,429 | 50.2 | 54,102 | 44,803 | 37,298 | 22,612 |
| | 2 mos. | 363 | 206,423 | 1,145 | 215,662 | 20,933 | 16,242 | 5,151 | 59,074 | 14,110 | 115,510 | 53.6 | 100,152 | 81,253 | 65,298 | 58,839 |
| Minneapolis & St. Louis | Feb. | 1,627 | 417,564 | 13,110 | 466,266 | 37,147 | 135,149 | 28,175 | 274,303 | 36,427 | 509,253 | 109.2 | —42,987 | —76,228 | —100,834 | —11,258 |
| | 2 mos. | 1,627 | 900,686 | 27,060 | 1,000,326 | 82,587 | 283,034 | 57,974 | 573,763 | 74,971 | 1,068,806 | 106.8 | —68,480 | —146,037 | —190,251 | —92,925 |
| Minn., St. Paul & S. S. Marie | Feb. | 4,337 | 1,073,930 | 65,447 | 1,252,837 | 212,977 | 336,510 | 59,254 | 708,341 | 106,313 | 1,424,535 | 113.7 | —171,698 | —322,857 | —442,008 | —432,218 |
| | 2 mos. | 4,337 | 2,268,334 | 143,039 | 2,646,407 | 427,579 | 696,102 | 120,835 | 1,446,803 | 216,019 | 2,911,576 | 110.0 | —265,169 | —583,600 | —837,643 | —913,096 |
| Duluth, South Shore & Atlantic | Feb. | 559 | 93,752 | 8,046 | 111,776 | 31,973 | 34,180 | 5,780 | 63,183 | 6,379 | 142,427 | 127.4 | —30,651 | —56,980 | —63,954 | —49,988 |
| | 2 mos. | 559 | 195,350 | 20,544 | 237,319 | 47,098 | 65,477 | 12,476 | 132,554 | 12,905 | 272,501 | 114.8 | —35,182 | —90,623 | —93,684 | —113,091 |
| Spokane International | Feb. | 163 | 23,801 | 1,879 | 28,702 | 10,339 | 3,522 | 1,917 | 19,465 | 4,394 | 39,637 | 138.1 | —10,935 | —15,778 | —17,710 | —18,048 |
| | 2 mos. | 163 | 45,371 | 3,333 | 55,335 | 19,018 | 7,445 | 4,484 | 38,639 | 8,450 | 78,036 | 141.0 | —22,701 | —32,388 | —36,092 | —36,093 |
| Mississippi Central | Feb. | 150 | 32,112 | 815 | 34,727 | 4,951 | 8,975 | 5,869 | 15,099 | 5,118 | 40,012 | 115.2 | —5,285 | —7,957 | —11,153 | —27,189 |
| | 2 mos. | 150 | 69,375 | 1,883 | 74,808 | 10,124 | 17,773 | 12,180 | 30,775 | 10,461 | 81,313 | 108.7 | —6,505 | —11,873 | —18,719 | —37,892 |
| Missouri & North Arkansas | Feb. | 364 | 37,708 | 833 | 43,690 | 13,504 | 8,456 | 5,757 | 23,721 | 5,825 | 57,263 | 131.1 | —13,573 | —16,075 | —22,801 | —10,425 |
| | 2 mos. | 364 | 83,185 | 1,947 | 95,694 | 29,596 | 17,142 | 12,248 | 49,299 | 11,698 | 119,983 | 125.4 | —24,289 | —29,275 | —42,571 | —18,398 |
| Missouri-Illinois | Feb. | 202 | 52,700 | 313 | 54,449 | 11,977 | 18,939 | 2,031 | 22,459 | 5,557 | 60,956 | 112.0 | —6,507 | —11,807 | —17,996 | 1,814 |
| | 2 mos. | 202 | 118,734 | 764 | 122,423 | 26,048 | 33,909 | 4,474 | 45,000 | 10,853 | 120,223 | 98.2 | 2,200 | —8,455 | —21,263 | —2,097 |
| Missouri-Kansas-Texas Lines | Feb. | 3,293 | 1,318,022 | 133,429 | 1,628,893 | 253,015 | 271,192 | 103,082 | 683,834 | 137,484 | 1,459,969 | 89.6 | 168,924 | —20,969 | —175,103 | 174,965 |
| | 2 mos. | 3,293 | 2,786,684 | 306,230 | 3,466,701 | 523,591 | 565,562 | 222,206 | 1,446,297 | 274,243 | 3,056,373 | 88.2 | 410,328 | 14,187 | —306,375 | 352,851 |
| Missouri Pacific | **Feb.** | 7,412 | 3,993,402 | 281,235 | 4,705,021 | 484,123 | 930,166 | 202,817 | 1,925,821 | 256,046 | 3,807,199 | 80.9 | 897,822 | 509,049 | 181,611 | 518,654 |
| | 2 mos. | 7,412 | 8,234,087 | 606,438 | 9,724,845 | 942,066 | 1,943,134 | 416,178 | 3,986,162 | 529,185 | 7,827,183 | 80.5 | 1,897,662 | 1,120,214 | 502,709 | 838,883 |
| Gulf Coast Lines | Feb. | 1,800 | 632,308 | 29,472 | 696,792 | 90,281 | 123,924 | 38,122 | 233,029 | 48,036 | 529,396 | 75.98 | 167,396 | 117,680 | 16,703 | 191,612 |
| | 2 mos. | 1,806 | 1,369,705 | 63,708 | 1,511,314 | 175,990 | 243,944 | 77,386 | 476,960 | 97,909 | 1,061,036 | 70.21 | 450,278 | 350,422 | 143,942 | 339,329 |
| International-Great Northern | Feb. | 1,159 | 694,311 | 46,550 | 821,419 | 89,974 | 137,424 | 25,857 | 335,587 | 45,837 | 643,399 | 78.33 | 178,020 | 140,650 | 49,768 | —55,983 |
| | 2 mos. | 1,159 | 1,393,811 | 99,519 | 1,655,413 | 181,857 | 274,828 | 53,199 | 676,070 | 91,288 | 1,294,162 | 78.18 | 361,251 | 286,720 | 111,513 | —119,383 |
| San Antonio, Uvalde & Gulf | Feb. | 316 | 47,441 | 3,446 | 55,806 | 14,877 | 10,247 | 4,074 | 14,880 | 4,353 | 48,390 | 86.7 | 7,416 | 3,693 | —18,057 | 17,755 |
| | 2 mos. | 316 | 110,553 | 7,345 | 127,177 | 29,324 | 20,427 | 8,017 | 36,289 | 8,760 | 102,532 | 80.6 | 24,645 | 16,993 | —29,497 | 20,952 |
| Mobile & Ohio | Feb. | 1,239 | 463,653 | 14,256 | 508,334 | 64,713 | 113,868 | 35,034 | 229,192 | 37,285 | 480,452 | 94.5 | 27,882 | —12,809 | —67,186 | —55,720 |
| | 2 mos. | 1,239 | 952,468 | 32,748 | 1,049,183 | 155,950 | 241,628 | 74,140 | 478,745 | 74,444 | 1,026,429 | 97.8 | 22,754 | —57,764 | —163,174 | —184,035 |
| Monongahela | Feb. | 177 | 234,815 | 579 | 236,723 | 16,535 | 23,309 | 1,012 | 56,617 | 6,850 | 104,323 | 44.1 | 132,400 | 119,528 | 55,840 | 62,139 |
| | 2 mos. | 177 | 484,914 | 1,385 | 489,695 | 32,312 | 44,128 | 1,985 | 114,232 | 15,967 | 208,642 | 42.6 | 281,053 | 261,576 | 130,317 | 129,063 |
| Monongahela Connecting | Feb. | 6 | ..... | ..... | 31,743 | 8,043 | 13,975 | 45 | 22,833 | 2,593 | 47,489 | 149.6 | —15,746 | —20,587 | —19,724 | —30,082 |
| | 2 mos. | 6 | ..... | ..... | 64,642 | 17,790 | 28,010 | 90 | 49,583 | 5,168 | 100,641 | 155.7 | —35,999 | —45,634 | —44,110 | —53,360 |
| Montour | Feb. | 57 | 105,256 | ..... | 106,438 | 8,250 | 26,055 | 1,261 | 26,907 | 6,899 | 69,372 | 65.2 | 37,066 | 34,305 | 52,406 | 54,622 |
| | 2 mos. | 57 | 212,091 | ..... | 215,113 | 15,988 | 54,092 | 2,409 | 55,438 | 15,064 | 142,991 | 66.5 | 72,122 | 66,630 | 106,566 | 99,360 |
| Nashville, Chattanooga & St. Louis | Feb. | 1,203 | 714,129 | 62,394 | 866,785 | 117,056 | 210,365 | 54,642 | 353,652 | 53,934 | 793,606 | 91.6 | 73,179 | 40,180 | 23,975 | 29,766 |
| | 2 mos. | 1,203 | 1,478,704 | 133,501 | 1,822,722 | 245,501 | 406,359 | 112,208 | 746,118 | 110,964 | 1,631,147 | 89.5 | 191,575 | 125,476 | 97,664 | 29,925 |
| Nevada Northern | Feb. | 165 | 11,181 | 1,696 | 16,423 | 8,067 | 4,129 | 730 | 7,566 | 3,284 | 23,776 | 144.7 | —7,353 | —14,632 | —10,177 | —3,422 |
| | 2 mos. | 165 | 29,078 | 3,324 | 39,786 | 17,713 | 8,494 | 1,523 | 16,043 | 6,610 | 50,383 | 126.6 | —10,597 | —25,723 | —17,155 | —8,135 |
| Newburgh & South Shore | Feb. | 6 | ..... | ..... | 42,545 | 4,869 | 18,616 | ..... | 23,676 | 4,572 | 51,733 | 121.6 | —9,188 | —17,998 | —14,535 | —3,830 |
| | 2 mos. | 6 | ..... | ..... | 88,822 | 8,673 | 37,486 | ..... | 48,534 | 9,695 | 104,388 | 117.5 | —15,566 | —33,133 | —29,465 | —28,568 |
| New Orleans Great Northern | Feb. | 262 | 108,528 | 6,183 | 118,703 | 8,591 | 16,047 | 11,111 | 37,424 | 6,548 | 79,721 | 67.2 | 38,982 | 29,070 | 6,165 | —2,224 |
| | 2 mos. | 262 | 223,850 | 12,306 | 243,857 | 19,195 | 31,613 | 22,806 | 79,136 | 13,384 | 166,134 | 68.1 | 77,723 | 57,911 | 13,211 | 12,978 |
| New Orleans Terminal | Feb. | 20 | 62 | ..... | 106,614 | 9,560 | 4,551 | ..... | 23,692 | 1,333 | 39,136 | 36.7 | 67,478 | 55,644 | 45,505 | 34,881 |
| | 2 mos. | 20 | 462 | ..... | 228,836 | 15,481 | 10,397 | ..... | 50,392 | 2,300 | 78,570 | 34.3 | 150,266 | 126,501 | 92,419 | 57,556 |
| New York Central | Feb. | 11,440 | 14,075,202 | 3,726,430 | 20,372,367 | 1,650,345 | 4,394,664 | 461,081 | 8,023,528 | 982,032 | 15,787,105 | 77.5 | 4,585,262 | 2,247,607 | 1,020,900 | 2,679,318 |
| | 2 mos. | 11,440 | 29,007,176 | 8,073,947 | 42,351,290 | 3,582,404 | 8,776,507 | 918,602 | 16,628,416 | 2,023,533 | 32,530,404 | 76.8 | 9,820,886 | 4,924,845 | 2,476,728 | 3,886,462 |
| Indiana Harbor Belt | Feb. | 120 | ..... | ..... | 528,008 | 43,500 | 45,000 | 2,805 | 242,197 | 17,963 | 360,427 | 68.3 | 167,581 | 131,219 | 79,629 | 95,462 |
| | 2 mos. | 120 | ..... | ..... | 1,085,616 | 87,000 | 90,000 | 5,940 | 474,041 | 37,895 | 714,222 | 65.8 | 371,394 | 294,533 | 183,437 | 193,528 |
| Pittsburgh & Lake Erie | Feb. | 235 | 778,660 | 41,187 | 848,603 | 59,008 | 381,980 | 21,094 | 318,288 | 53,756 | 835,072 | 98.4 | 13,531 | —61,033 | 46,230 | 128,498 |
| | 2 mos. | 235 | 1,610,611 | 86,772 | 1,754,176 | 130,933 | 658,849 | 44,960 | 682,709 | 112,333 | 1,632,163 | 93.0 | 122,013 | —40,183 | 186,833 | 263,967 |
| New York, Chicago & St. Louis | Feb. | 1,691 | 2,051,263 | 46,757 | 2,173,413 | 167,013 | 365,679 | 96,844 | 812,089 | 113,080 | 1,557,795 | 71.7 | 615,618 | 438,265 | 211,751 | 216,050 |
| | 2 mos. | 1,691 | 4,104,958 | 107,432 | 4,368,971 | 338,303 | 779,000 | 197,444 | 1,661,501 | 229,727 | 3,208,585 | 73.4 | 1,160,386 | 806,108 | 344,592 | 275,766 |
| N. Y., New Haven & Hartford | Feb. | 2,071 | 2,660,805 | 1,642,046 | 4,923,901 | 623,904 | 808,555 | 84,307 | 1,959,326 | 236,254 | 3,827,973 | 77.7 | 1,095,928 | 716,469 | 236,516 | 1,169,205 |
| | 2 mos. | 2,070 | 5,442,289 | 3,452,347 | 10,171,841 | 1,248,107 | 1,673,177 | 158,675 | 4,081,384 | 483,184 | 7,886,918 | 77.5 | 2,284,923 | 1,530,353 | 597,719 | 2,097,920 |

Continued on next left-hand page

# HARD AT THE SURFACE
# BUT TOUGH AT THE CORE




## Agathon Nickel Iron Gives The Combination Of Qualities That Means Lower Maintenance Costs

Pins, bushings and other parts subject to extreme wear have been a perplexing materials problem for the railroad man. « Steel that would produce a hard surface would be brittle in the core, or another material with a tough core would be too soft on the surface. « It remained for Republic metallurgists to develop a material —Agathon Nickel Iron—that gave a hard surface for wear resistance coupled with a tough core to resist shock.

The superiority of Agathon Nickel Iron is readily demonstrated. « The Humphrey Machine which produced the charts shown above bends the full section to the breaking point of the case and then to final rupture. The first break in the line indicates the point at which the case was first cracked; the rest of the curve shows the resistance of the core to rupture. The core of the wrought iron shows rapidly diminishing resistance as the angle of bending increases. « Agathon Nickel Iron, on the other hand, shows stubborn resistance even after the case is broken. The core is tougher and uniform in composition. « Use this modern alloy iron for all case-hardened pins and bushings.

Toncan Iron Boiler Tubes, Pipe, Plates, Culverts, Rivets, Staybolts, Tender Plates and Firebox Sheets • Sheets and Strip for special railroad purposes • Agathon Alloy Steels for Locomotive Parts • Agathon Engine Bolt Steel • Agathon Iron for pins and bushings • Agathon Staybolt Iron • Climax Steel Staybolts • Upson Bolts and Nuts • Track Material, Maney Guard Rail Assemblies • Enduro Stainless Steel for dining car equipment, for refrigeration cars and for firebox sheets • Agathon Nickel Forging Steel.

C E N T R A L A L L O Y D I V I S I O N

**REPUBLIC STEEL**
**CORPORATION**
MASSILLON OHIO

AGATHON NICKEL IRON

# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933—CONTINUED

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of Way and structures | Maintenance of Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New York Connecting | Feb. | 20 | $217,858 | ..... | $227,758 | $5,348 | $8,112 | ..... | $26,808 | $854 | $41,122 | 18.1 | $186,636 | $152,356 | $110,326 | $77,983 |
| | 2 mos. | 20 | 458,027 | ..... | 474,593 | 14,210 | 15,565 | ..... | 58,631 | 1,711 | 90,117 | 19.0 | 384,476 | 315,916 | 224,565 | 155,377 |
| New York, Ontario & Western | Feb. | 568 | 713,536 | $13,203 | 812,559 | 64,380 | 146,900 | $12,499 | 318,308 | 24,540 | 572,428 | 70.4 | 240,131 | 195,076 | 161,566 | 152,666 |
| | 2 mos. | 568 | 1,409,977 | 26,879 | 1,621,300 | 132,142 | 284,841 | 24,519 | 642,067 | 48,560 | 1,141,451 | 70.4 | 479,849 | 389,739 | 313,478 | 234,722 |
| Norfolk & Western | Feb. | 2,233 | 4,883,232 | 92,597 | 5,141,505 | 488,656 | 948,334 | 99,137 | 1,210,422 | 214,336 | 2,974,122 | 57.8 | 2,167,383 | 1,517,319 | 1,599,892 | 1,004,373 |
| | 2 mos. | 2,233 | 9,835,463 | 208,704 | 10,369,476 | 982,890 | 1,932,982 | 207,729 | 2,494,738 | 437,620 | 6,084,209 | 58.7 | 4,285,267 | 2,984,404 | 3,194,603 | 1,747,438 |
| Norfolk Southern | Feb. | 932 | 247,446 | 5,535 | 269,780 | 66,455 | 62,461 | 19,429 | 131,794 | 20,986 | 301,125 | 111.6 | —31,345 | —69,646 | —82,664 | —70,494 |
| | 2 mos. | 932 | 498,275 | 11,079 | 540,667 | 139,294 | 126,425 | 39,214 | 273,020 | 45,483 | 623,436 | 115.3 | —82,769 | —159,203 | —181,574 | —145,510 |
| Northern Pacific | Feb. | 6,735 | 2,040,536 | 183,385 | 2,498,068 | 306,749 | 907,102 | 135,146 | 1,352,945 | 257,134 | 3,002,962 | 120.2 | —504,894 | —1,021,900 | —768,629 | —519,899 |
| | 2 mos. | 6,735 | 4,400,405 | 391,579 | 5,370,172 | 561,280 | 1,833,488 | 270,655 | 2,781,509 | 516,300 | 6,058,452 | 112.8 | —688,280 | —1,722,286 | —1,201,008 | —1,075,156 |
| Northwestern Pacific | Feb. | 424 | 66,769 | 65,550 | 152,912 | 27,761 | 46,952 | 4,502 | 111,651 | 14,472 | 204,835 | 134.0 | —51,923 | —74,437 | —85,710 | —73,076 |
| | 2 mos. | 433 | 146,931 | 132,603 | 327,682 | 67,428 | 91,894 | 8,892 | 238,378 | 28,907 | 434,055 | 132.5 | —106,373 | —151,389 | —172,754 | —176,987 |
| Oklahoma City, Ada-Atoka | Feb. | 132 | 24,927 | 269 | 26,642 | 2,973 | 1,365 | 622 | 9,694 | 1,401 | 16,055 | 60.3 | 10,587 | 6,961 | 253 | —2,920 |
| | 2 mos. | 132 | 50,063 | 604 | 53,726 | 6,413 | 2,619 | 1,342 | 20,083 | 2,892 | 33,349 | 62.1 | 20,377 | 13,048 | 602 | —7,134 |
| Pennsylvania Railroad | Feb. | 10,892 | 16,028,018 | 3,714,684 | 22,156,278 | 1,865,099 | 4,414,960 | 544,675 | 8,857,532 | 1,285,944 | 17,128,948 | 77.3 | 5,027,330 | 3,214,113 | 2,344,265 | 3,439,658 |
| | 2 mos. | 10,892 | 33,312,045 | 8,157,672 | 46,398,433 | 3,816,415 | 9,202,986 | 1,073,212 | 18,252,571 | 2,571,682 | 35,378,182 | 76.2 | 11,020,251 | 7,412,614 | 5,591,610 | 6,735,305 |
| Long Island | Feb. | 399 | 459,781 | 1,243,162 | 1,805,651 | 141,754 | 257,905 | 9,879 | 805,482 | 51,324 | 1,266,349 | 70.1 | 539,302 | 424,206 | 263,059 | 234,511 |
| | 2 mos. | 399 | 915,726 | 2,625,478 | 3,757,298 | 294,315 | 538,710 | 20,466 | 1,672,725 | 108,074 | 2,634,299 | 70.1 | 1,122,999 | 892,768 | 560,104 | 440,892 |
| Peoria & Pekin Union | Feb. | 18 | 9,081 | ..... | 65,448 | 7,658 | 6,682 | 2,031 | 32,241 | 6,699 | 55,311 | 84.5 | 10,137 | —3,900 | 14,730 | 19,159 |
| | 2 mos. | 18 | 18,655 | ..... | 131,027 | 14,994 | 13,917 | 3,756 | 63,903 | 13,640 | 110,210 | 84.1 | 20,817 | —7,256 | 30,311 | 33,795 |
| Pere Marquette | Feb. | 2,320 | 1,525,469 | 43,069 | 1,645,101 | 213,358 | 403,510 | 58,525 | 676,519 | 85,886 | 1,441,634 | 87.6 | 203,467 | 57,652 | 76,497 | 164,524 |
| | 2 mos. | 2,320 | 3,156,514 | 91,525 | 3,411,948 | 448,951 | 831,024 | 114,965 | 1,378,780 | 180,824 | 2,962,099 | 86.8 | 449,849 | 155,397 | 38,982 | 133,658 |
| Pittsburg & Shawmut | Feb. | 102 | 38,770 | 618 | 40,002 | 7,534 | 14,471 | 1,284 | 13,735 | 3,937 | 40,961 | 102.4 | —959 | —1,459 | 671 | 1,617 |
| | 2 mos. | 102 | 87,358 | 1,311 | 90,032 | 16,756 | 31,989 | 2,513 | 29,394 | 10,114 | 90,766 | 100.8 | —734 | —1,734 | 1,005 | 3,101 |
| Pittsburg & West Virginia | Feb. | 138 | 140,025 | 1 | 153,284 | 17,211 | 48,611 | 11,237 | 33,551 | 12,785 | 129,907 | 84.7 | 23,377 | —149 | 18,083 | 21,927 |
| | 2 mos. | 138 | 286,149 | 43 | 311,775 | 32,948 | 96,324 | 23,146 | 68,525 | 25,445 | 259,860 | 83.3 | 51,915 | 4,784 | 40,109 | 41,823 |
| Pittsburg, Shawmut & Northern | Feb. | 197 | 59,308 | 168 | 60,826 | 9,093 | 17,973 | 1,243 | 24,228 | 6,380 | 58,917 | 96.8 | 1,909 | —188 | —3,502 | 300 |
| | 2 mos. | 197 | 132,396 | 334 | 137,168 | 20,142 | 35,762 | 2,513 | 52,962 | 13,610 | 124,989 | 91.1 | 12,179 | 7,856 | —330 | 2,666 |
| Reading | Feb. | 1,461 | 3,265,828 | 235,914 | 3,738,489 | 220,728 | 810,914 | 71,800 | 1,496,351 | 178,338 | 2,792,818 | 74.7 | 945,671 | 738,989 | 659,684 | 555,869 |
| | 2 mos. | 1,461 | 6,638,461 | 486,801 | 7,603,332 | 431,920 | 1,740,590 | 143,357 | 3,027,065 | 375,863 | 5,749,612 | 75.6 | 1,853,720 | 1,440,600 | 1,311,692 | 1,025,796 |
| Atlantic City | Feb. | 168 | 71,483 | 27,702 | 106,352 | 21,911 | 12,372 | 1,811 | 97,694 | 4,123 | 137,999 | 129.8 | —31,647 | —69,547 | —79,316 | —78,332 |
| | 2 mos. | 168 | 139,950 | 60,736 | 216,015 | 41,785 | 27,599 | 3,747 | 206,707 | 8,093 | 288,304 | 133.5 | —72,289 | —148,089 | —164,980 | —196,817 |
| Richmond, Fredericksburg & Potomac | Feb. | 117 | 252,021 | 143,601 | 519,822 | 40,395 | 96,955 | 7,523 | 209,460 | 29,848 | 394,450 | 75.9 | 125,372 | 97,407 | 46,697 | 71,696 |
| | 2 mos. | 117 | 561,688 | 293,613 | 1,080,566 | 81,235 | 194,927 | 15,302 | 432,135 | 61,305 | 804,095 | 74.4 | 276,471 | 217,040 | 112,402 | 121,514 |
| Rutland | Feb. | 413 | 133,436 | 34,530 | 237,969 | 30,633 | 50,270 | 10,130 | 113,002 | 12,570 | 216,119 | 90.8 | 21,850 | 1,910 | 12,333 | 28,540 |
| | 2 mos. | 413 | 281,128 | 75,714 | 482,526 | 68,759 | 112,665 | 19,769 | 236,908 | 26,805 | 464,426 | 96.2 | 18,100 | —22,026 | —786 | 11,296 |
| St. Louis-San Francisco | Feb. | 5,266 | 2,360,443 | 175,202 | 2,763,090 | 455,509 | 721,905 | 82,247 | 1,033,759 | 135,222 | 2,433,075 | 88.1 | 330,015 | 3,829 | —57,743 | 74,455 |
| | 2 mos. | 5,266 | 4,861,501 | 373,480 | 5,714,083 | 919,790 | 1,453,019 | 178,436 | 2,136,122 | 276,520 | 4,980,959 | 87.2 | 733,124 | 69,322 | —41,951 | 145,321 |
| Ft. Worth & Rio Grande | Feb. | 233 | 18,893 | 1,046 | 24,334 | 16,253 | 10,854 | 2,258 | 20,755 | 3,347 | 53,467 | 219.7 | —29,133 | —33,103 | —39,873 | —47,791 |
| | 2 mos. | 233 | 45,876 | 2,141 | 57,398 | 34,936 | 22,234 | 4,538 | 41,908 | 7,010 | 110,626 | 192.7 | —53,228 | —62,073 | —75,390 | —83,190 |
| St. Louis, San Francisco & Texas | Feb. | 262 | 55,877 | 235 | 59,415 | 23,907 | 16,054 | 4,671 | 33,005 | 6,860 | 84,488 | 142.2 | —25,073 | —29,066 | —56,173 | —51,273 |
| | 2 mos. | 262 | 129,237 | 753 | 135,587 | 51,288 | 34,819 | 9,589 | 67,255 | 14,387 | 177,330 | 130.8 | —41,743 | —49,717 | —101,814 | —117,271 |
| St. Louis Southwestern Lines | Feb. | 1,914 | 815,125 | 11,180 | 870,103 | 113,157 | 152,229 | 66,920 | 328,528 | 68,505 | 733,334 | 84.3 | 136,769 | 54,832 | —46,345 | 7,207 |
| | 2 mos. | 1,914 | 1,746,380 | 29,245 | 1,864,414 | 218,237 | 300,711 | 142,844 | 695,290 | 140,700 | 1,507,068 | 80.8 | 357,346 | 193,522 | 6,985 | —58,801 |
| San Diego & Arizona Eastern | Feb. | 155 | 44,003 | 8,755 | 52,854 | 10,332 | 8,583 | 1,929 | 18,513 | 4,823 | 44,700 | 84.6 | 8,154 | 4,903 | 5,400 | —15,404 |
| | 2 mos. | 155 | 77,260 | 14,513 | 92,760 | 21,237 | 17,452 | 3,950 | 36,504 | 9,318 | 89,439 | 96.4 | 3,321 | —3,182 | —2,830 | —13,749 |
| Seaboard Air Line | Feb. | 4,385 | 2,227,824 | 274,089 | 2,772,538 | 432,294 | 555,562 | 132,942 | 967,792 | 125,257 | 2,247,377 | 81.1 | 525,161 | 283,781 | 145,625 | 212,619 |
| | 2 mos. | 4,385 | 4,600,426 | 552,457 | 5,689,766 | 869,685 | 1,131,042 | 268,742 | 2,004,587 | 254,052 | 4,594,110 | 80.7 | 1,095,656 | 653,832 | 343,460 | 225,034 |
| Southern Railway | Feb. | 6,653 | 4,500,468 | 483,093 | 5,434,866 | 580,902 | 1,107,937 | 144,551 | 2,062,725 | 233,003 | 4,136,041 | 76.1 | 1,298,825 | 802,219 | 663,436 | 282,092 |
| | 2 mos. | 6,653 | 9,485,748 | 1,041,072 | 11,486,154 | 1,221,732 | 2,410,505 | 300,546 | 4,320,011 | 475,546 | 8,745,325 | 76.1 | 2,740,829 | 1,746,021 | 1,465,385 | 306,317 |
| Alabama Great Southern | Feb. | 315 | 217,531 | 27,614 | 269,839 | 49,714 | 83,673 | 9,387 | 118,215 | 13,166 | 276,116 | 102.3 | —6,277 | —40,889 | —48,255 | —43,017 |
| | 2 mos. | 315 | 455,122 | 57,744 | 562,288 | 103,255 | 171,871 | 20,180 | 233,940 | 27,720 | 560,961 | 99.8 | 1,327 | —67,958 | —89,390 | —104,306 |
| Cinn., New Orleans & Tex. Pac. | Feb. | 337 | 672,028 | 53,189 | 770,674 | 91,203 | 179,100 | 24,192 | 215,535 | 36,280 | 549,875 | 71.3 | 220,799 | 161,662 | 157,241 | 127,515 |
| | 2 mos. | 337 | 1,382,270 | 115,754 | 1,594,651 | 182,372 | 379,272 | 44,336 | 445,364 | 72,379 | 1,131,287 | 70.9 | 463,364 | 348,085 | 357,621 | 207,508 |
| Georgia Southern & Florida | Feb. | 397 | 89,938 | 23,427 | 129,324 | 23,143 | 31,054 | 1,480 | 38,658 | 2,125 | 98,807 | 76.4 | 30,517 | 15,279 | 12,761 | 15,005 |
| | 2 mos. | 397 | 189,228 | 50,383 | 272,724 | 46,547 | 69,791 | 3,097 | 83,793 | 4,408 | 212,536 | 77.9 | 60,188 | 29,999 | 29,472 | 12,382 |

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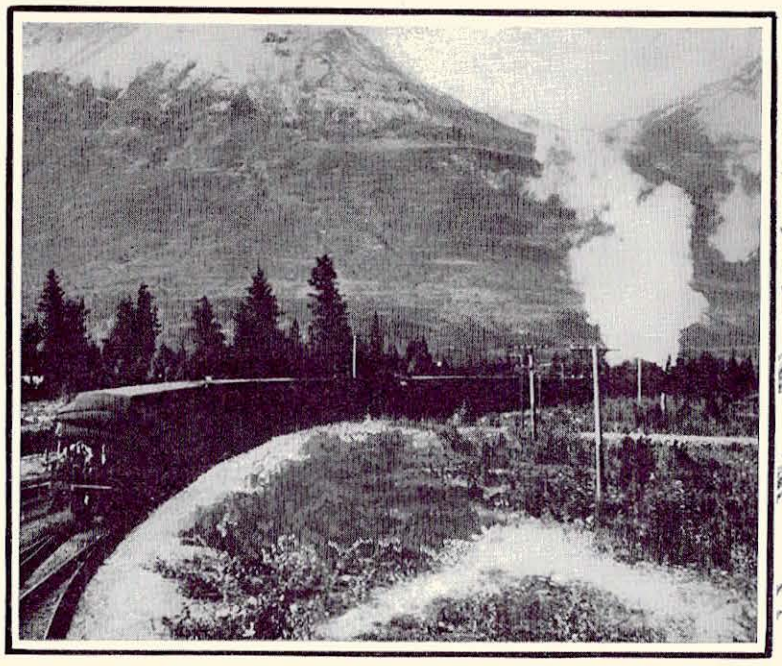

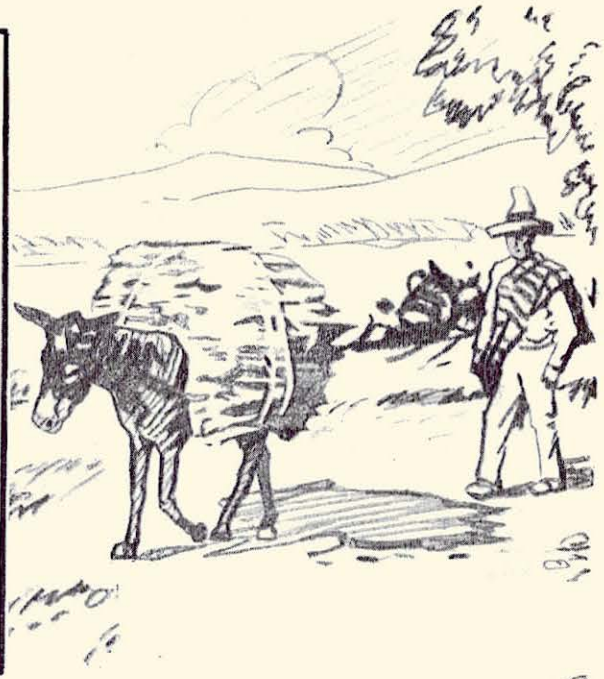

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(Duplex Springs for Above Sectional Packing)
Cylinder Snap Rings
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# HUNT-SPILLER GUN IRON

*Air Furnace*

# Revenues and Expenses of Railways

MONTH OF FEBRUARY AND TWO MONTHS OF CALENDAR YEAR 1933—CONTINUED

| Name of road | | Av. mileage operated during period | Operating revenues: Freight | Passenger | Total (inc. misc.) | Operating expenses: Maintenance of Way and structures | Maintenance of Equipment | Traffic | Transportation | General | Total | Operating ratio | Net from railway operation | Operating income | Net railway operating income | Net ry. operating income, 1932 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Orleans & Northwestern | Feb. | 204 | $90,655 | $13,881 | $114,518 | $22,217 | $37,993 | $5,090 | $54,693 | $8,036 | $129,373 | 112.9 | —$14,855 | —$45,511 | —$57,856 | —$42,184 |
| | 2 mos. | 204 | 183,971 | 27,048 | 231,566 | 39,663 | 81,027 | 11,037 | 111,506 | 16,950 | 262,917 | 113.5 | —31,351 | —92,980 | —120,472 | —78,318 |
| Northern Alabama | Feb. | 99 | 38,990 | 1,081 | 41,382 | 9,104 | 1,130 | 1,093 | 13,917 | 1,601 | 26,845 | 64.9 | 14,537 | 10,067 | —2,935 | —4,557 |
| | 2 mos. | 99 | 80,374 | 1,961 | 85,092 | 16,249 | 2,380 | 2,219 | 28,238 | 3,334 | 52,420 | 61.6 | 32,672 | 23,733 | —3,974 | —14,519 |
| Southern Pacific | Feb. | 9,101 | 4,340,761 | 1,135,899 | 6,048,632 | 750,850 | 1,314,193 | 247,302 | 2,583,150 | 534,436 | 5,565,293 | 92.0 | 483,339 | —488,577 | —727,672 | —24,917 |
| | 2 mos. | 9,101 | 8,953,654 | 2,392,030 | 12,613,225 | 1,570,584 | 2,734,060 | 512,805 | 5,455,186 | 1,098,806 | 11,669,722 | 92.5 | 943,503 | —997,556 | —1,494,521 | —58,088 |
| So. Pac. Steamship Lines | Feb. | .... | 251,580 | 7,632 | 271,184 | 13,406 | 101,650 | 15,737 | 214,143 | 20,380 | 365,316 | 134.7 | —94,132 | —94,840 | —94,972 | —114,521 |
| | 2 mos. | .... | 506,370 | 18,561 | 549,799 | 26,237 | 202,108 | 31,600 | 444,968 | 41,905 | 746,818 | 135.8 | —197,019 | —201,776 | —202,040 | —233,064 |
| Texas & New Orleans | Feb. | 4,582 | 1,550,991 | 190,741 | 1,963,988 | 363,618 | 433,868 | 117,984 | 800,247 | 216,475 | 1,942,781 | 98.9 | 21,207 | —217,202 | —403,699 | —263,117 |
| | 2 mos. | 4,582 | 3,321,098 | 386,466 | 4,188,869 | 704,905 | 936,502 | 232,462 | 1,669,770 | 439,791 | 4,003,009 | 95.6 | 185,860 | —292,737 | —646,054 | —515,018 |
| Spokane, Portland & Seattle | Feb. | 552 | 202,556 | 18,005 | 252,654 | 27,036 | 43,247 | 6,531 | 104,381 | 17,877 | 199,887 | 79.1 | 52,767 | —23,928 | —26,365 | 497 |
| | 2 mos. | 552 | 407,893 | 39,409 | 511,993 | 58,052 | 95,102 | 14,212 | 226,016 | 38,776 | 433,925 | 84.8 | 78,068 | —75,254 | —83,351 | 559 |
| Tennessee Central | Feb. | 295 | 142,585 | 3,230 | 154,825 | 25,006 | 22,517 | 4,778 | 55,285 | 10,461 | 118,021 | 76.2 | 36,804 | 35,262 | 20,984 | 13,277 |
| | 2 mos. | 295 | 302,461 | 7,140 | 328,744 | 49,134 | 47,286 | 10,223 | 111,771 | 20,851 | 239,220 | 72.8 | 89,524 | 83,187 | 50,537 | 32,371 |
| Terminal R. R. Assn. of St. Louis | Feb. | 55 | ..... | ..... | 440,140 | 41,874 | 29,085 | 3,298 | 206,959 | 17,343 | 300,500 | 68.3 | 139,640 | 54,954 | 115,191 | 86,523 |
| | 2 mos. | 55 | ..... | ..... | 863,957 | 99,441 | 59,912 | 6,632 | 426,673 | 35,225 | 632,686 | 73.2 | 231,271 | 57,917 | 183,353 | 205,603 |
| Texas & Pacific | Feb. | 1,950 | 1,111,615 | 136,795 | 1,413,115 | 154,071 | 277,859 | 60,428 | 485,369 | 105,831 | 1,097,443 | 77.7 | 315,672 | 214,031 | 113,625 | 135,614 |
| | 2 mos. | 1,950 | 2,312,102 | 287,248 | 2,951,033 | 326,384 | 576,300 | 123,188 | 1,001,426 | 211,978 | 2,267,311 | 76.8 | 683,722 | 478,853 | 262,542 | 375,678 |
| Texas Mexican | Feb. | 162 | 37,474 | 650 | 42,205 | 9,487 | 12,056 | 2,762 | 23,904 | 6,745 | 54,515 | 129.1 | —12,310 | —16,928 | —20,425 | —13,150 |
| | 2 mos. | 162 | 92,621 | 1,384 | 103,516 | 17,037 | 24,116 | 5,821 | 48,510 | 13,376 | 107,836 | 104.1 | —4,320 | —13,427 | —19,843 | —22,136 |
| Toledo, Peoria & Western | Feb. | 239 | 97,206 | 31 | 98,833 | 14,419 | 10,415 | 13,488 | 32,960 | 6,874 | 78,156 | 79.1 | 20,677 | 17,475 | 9,254 | 7,472 |
| | 2 mos. | 239 | 202,260 | 59 | 205,274 | 39,463 | 19,411 | 27,842 | 63,842 | 14,070 | 164,628 | 80.2 | 40,646 | 33,844 | 17,680 | 8,103 |
| Toledo Terminal | Feb. | 28 | ..... | ..... | 57,338 | 3,093 | 8,906 | 456 | 28,119 | 5,024 | 45,598 | 79.5 | 11,740 | 3,739 | 17,013 | 25,892 |
| | 2 mos. | 28 | ..... | ..... | 129,410 | 7,149 | 18,516 | 924 | 61,568 | 9,287 | 97,444 | 75.3 | 31,966 | 15,964 | 40,673 | 51,915 |
| Union R. R. of Penna. | Feb. | 45 | ..... | ..... | 107,431 | 20,663 | 78,890 | 112 | 68,198 | 14,621 | 182,484 | 169.9 | —75,053 | —81,579 | —67,572 | —56,022 |
| | 2 mos. | 45 | ..... | ..... | 231,914 | 46,633 | 168,372 | 243 | 141,944 | 29,910 | 387,102 | 166.9 | —155,188 | —168,218 | —145,272 | —121,756 |
| Union Pacific | Feb. | 3,766 | 2,812,967 | 281,047 | 3,469,549 | 206,135 | 876,741 | 90,494 | 1,316,299 | 270,827 | 2,809,563 | 81.0 | 659,986 | 339,861 | 248,843 | 707,035 |
| | 2 mos. | 3,767 | 5,960,535 | 636,156 | 7,358,278 | 433,211 | 1,818,128 | 193,715 | 2,740,022 | 556,659 | 5,849,645 | 79.5 | 1,508,633 | 868,029 | 648,796 | 1,322,390 |
| Oregon Short Line | Feb. | 2,504 | 1,073,082 | 90,157 | 1,267,470 | 140,011 | 214,257 | 30,061 | 517,893 | 89,662 | 1,012,003 | 79.8 | 255,467 | 15,420 | —52,930 | 140,968 |
| | 2 mos. | 2,504 | 2,229,787 | 185,454 | 2,658,059 | 255,401 | 439,594 | 65,895 | 1,048,890 | 183,049 | 2,060,920 | 77.5 | 597,139 | 116,931 | —34,439 | 261,369 |
| Oregon-Wash. R. R. & Nav. Co. | Feb. | 2,316 | 607,130 | 64,831 | 757,578 | 110,130 | 134,427 | 43,721 | 401,992 | 85,233 | 779,692 | 102.9 | —22,114 | —150,586 | —251,973 | —135,034 |
| | 2 mos. | 2,316 | 1,228,968 | 135,450 | 1,548,107 | 226,400 | 286,137 | 93,985 | 833,549 | 172,115 | 1,621,750 | 104.8 | —73,643 | —330,312 | —540,214 | —338,861 |
| Los Angeles & Salt Lake | Feb. | 1,249 | 795,864 | 75,902 | 943,923 | 91,253 | 170,770 | 39,732 | 345,329 | 57,029 | 725,547 | 76.9 | 218,376 | 106,217 | —23,438 | 109,626 |
| | 2 mos. | 1,249 | 1,699,863 | 181,795 | 2,041,559 | 207,388 | 362,854 | 82,349 | 725,905 | 117,439 | 1,542,554 | 75.6 | 499,005 | 274,785 | 23,060 | 174,646 |
| St. Joseph & Grand Island | Feb. | 258 | 143,664 | 1,149 | 151,341 | 10,292 | 20,273 | 2,275 | 56,746 | 12,467 | 102,053 | 67.4 | 49,288 | 38,989 | 21,967 | 31,031 |
| | 2 mos. | 258 | 297,301 | 2,857 | 314,186 | 22,817 | 40,522 | 4,440 | 115,940 | 25,082 | 208,801 | 66.5 | 105,385 | 84,771 | 48,614 | 60,859 |
| Utah | Feb. | 111 | 151,659 | ..... | 152,958 | 15,651 | 26,214 | 485 | 31,753 | 5,175 | 79,278 | 51.8 | 73,680 | 59,040 | 43,250 | 38,090 |
| | 2 mos. | 111 | 285,463 | ..... | 287,944 | 30,716 | 51,252 | 994 | 59,870 | 10,345 | 153,177 | 53.2 | 134,767 | 106,487 | 76,025 | 75,465 |
| Virginian | Feb. | 608 | 1,055,117 | 5,057 | 1,110,107 | 99,116 | 190,177 | 16,577 | 207,992 | 31,607 | 545,056 | 49.1 | 565,051 | 420,051 | 488,392 | 550,982 |
| | 2 mos. | 608 | 2,185,152 | 10,435 | 2,299,247 | 204,975 | 387,322 | 32,454 | 428,067 | 61,379 | 1,113,649 | 48.4 | 1,185,598 | 880,598 | 1,024,844 | 1,016,015 |
| Wabash | Feb. | 2,480 | 2,297,544 | 154,936 | 2,666,153 | 330,369 | 468,700 | 137,306 | 1,165,937 | 130,861 | 2,240,474 | 84.0 | 425,679 | 221,688 | —107,251 | —107,858 |
| | 2 mos. | 2,480 | 4,580,496 | 326,695 | 5,316,313 | 616,790 | 979,353 | 274,175 | 2,376,874 | 264,306 | 4,586,936 | 86.3 | 729,377 | 321,140 | —336,717 | —475,070 |
| Ann Arbor | Feb. | 293 | 199,441 | 1,540 | 206,551 | 22,210 | 41,998 | 11,385 | 104,557 | 10,093 | 190,308 | 92.1 | 16,243 | —2,654 | —18,890 | —6,806 |
| | 2 mos. | 293 | 398,003 | 3,621 | 413,484 | 48,497 | 82,907 | 22,649 | 211,561 | 20,383 | 386,072 | 93.4 | 27,412 | —10,367 | —40,001 | —26,032 |
| Western Maryland | Feb. | 891 | 841,547 | 5,145 | 869,371 | 85,873 | 149,073 | 31,201 | 232,858 | 30,978 | 532,132 | 61.2 | 337,239 | 267,239 | 269,271 | 317,585 |
| | 2 mos. | 891 | 1,755,650 | 11,776 | 1,815,050 | 188,629 | 331,222 | 62,878 | 485,757 | 67,868 | 1,141,186 | 62.9 | 673,864 | 533,864 | 542,322 | 629,113 |
| Western Pacific | Feb. | 1,210 | 536,353 | 12,274 | 563,380 | 89,981 | 144,644 | 54,149 | 284,307 | 32,685 | 610,112 | 108.3 | —46,732 | —125,310 | —126,636 | —174,184 |
| | 2 mos. | 1,210 | 1,122,111 | 22,357 | 1,177,761 | 178,361 | 290,235 | 109,998 | 597,029 | 68,923 | 1,258,494 | 106.9 | —80,733 | —238,397 | —231,879 | —293,571 |
| Wheeling & Lake Erie | Feb. | 511 | 644,029 | 1,647 | 686,301 | 60,095 | 190,330 | 26,339 | 205,467 | 26,204 | 508,435 | 74.1 | 177,866 | 101,118 | 81,087 | 66,581 |
| | 2 mos. | 511 | 1,276,717 | 3,562 | 1,360,982 | 122,138 | 383,543 | 53,257 | 421,959 | 52,622 | 1,033,519 | 75.9 | 327,463 | 174,495 | 131,339 | 73,645 |
| Wichita Falls & Southern | Feb. | 203 | 37,205 | 24 | 38,479 | 8,387 | 6,943 | 1,577 | 11,885 | 2,896 | 31,688 | 82.35 | 6,791 | 4,085 | 1,222 | —4,174 |
| | 2 mos. | 203 | 73,543 | 54 | 76,548 | 16,263 | 13,426 | 3,215 | 24,483 | 5,833 | 63,220 | 82.59 | 13,328 | 7,912 | 2,246 | —10,144 |

# Annual Reports

## Delaware, Lackawanna & Western Railway Company

New York, April 1st, 1933.

To the Stockholders of
The Delaware, Lackawanna and Western Railroad Company:

A report of the results from operation of the Railroad and other property of your Company for the calendar year 1932, showing statistical comparisons with the results of the previous year, important property changes and other items of interest, is hereby respectfully submitted:

### Operating Results

The progressive decline in traffic available for transportation, which commenced in the closing months of 1929 and extended throughout the years 1930 and 1931, continued with unabated force throughout the year 1932.

As illustrative of the foregoing, your attention is directed to a special comparative statement of operating results of your Company for the years 1922 to 1932, inclusive.

The total operating revenues were 20.8% less than in the preceding year and 43.2% less than in 1929. Coincidentally, the cost of maintenance and operation was 19.7% less than in the preceding year and 35.8% under similar costs in 1929. The decline in revenues was general in character and extended in greater or less degree to all classes of traffic.

Freight transportation revenue as a whole was 22.7% less than in the previous year.

The decrease in revenue from transportation of anthracite coal amounting to 21.7% is attributable in part to the extremely mild climatic conditions that prevailed throughout the regions where anthracite coal is used for domestic heating purposes, but also in no small degree to business stagnation, with consequent unemployment and reduced incomes, which has forced many former users of anthracite coal to turn to cheaper kinds of fuel.

Other freight revenue decreased 23.2% due primarily to the increased business inactivity which has so adversely affected all classes of railroad transportation, but like all other railroads of the country, your railroad has been subjected to a further depletion of traffic by the diversion to waterways and other unregulated forms of transportation of a substantial part of its less than carload traffic.

Revenue from transportation of passengers decreased 15%.

As stated in the previous annual report, monthly suburban commutation fares were increased at the beginning of 1932. While this class of traffic showed a falling off as compared with the previous year, due to economic conditions, the sale of tickets during the off-peak period was encouraged by material reductions in fares, with the result that revenues from all classes of tickets in the electrified zone were slightly more in 1932 than in 1931. The decrease in passenger revenue was, therefore, due entirely to a falling off in other local and long distance travel.

Revenue from transportation of U. S. Mail was slightly less than in the preceding year.

Revenue from express decreased 36.2%. The diversion to motor trucks and U. S. Parcel Post of parcel freight formerly handled by Railway Express Agency, and the general reduction in distribution of package freight may be stated as causes for the poor showing made in express business.

Revenue from transportation of milk decreased $206,493, or 9.2%. The causes for the reduced receipts were due to a general reduction effective June 1st, 1932, in rates on milk transported in tank cars, amounting to $58,205; a reduction in rates effective September 2nd, 1932, on milk originating in northern New Jersey territory of $7,649; and the balance of $140,639 was practically all due to diversion to motor trucks.

Revenue from transportation of local passengers and vehicles over the Company's ferries operating in the North River between New Jersey and New York points decreased 8.9%.

The decrease in incidental revenues is due mainly to an adjustment and settlement included in the previous year of a large accumulation of car demurrage which had accrued in previous years but was withheld pending agreement as to the amount legally due, and also to a reduction in gross receipts from dining service.

Effective February 1st, 1932, a reduction of 10% was made in the compensation of all officers and employes, including those now retired and carried on the pension rolls, resulting in a payroll saving for the eleven months ended December 31st, 1932, of $2,467,604.

There were laid in replacement during the year 159,035 cross ties as compared with 186,945 used in the preceding year.

A comparative statement of rail tonnages by weight sections laid in replacement and tons of rock ballast applied during the calender years shown below, is as follows:

| Year | Tonnage 130 lbs. to Yard | Tonnage 118 lbs. to Yard | Tonnage 105 lbs. to Yard | Tonnage 80 lbs. to Yard | Total Tonnage All Weights | Total Tonnage Rock Ballast |
|---|---|---|---|---|---|---|
| 1920.... | .... | .... | 16,297 | 2,944 | 19,241 | 117,676 |
| 1921.... | .... | .... | 19,572 | 1,283 | 20,855 | 178,733 |
| 1922.... | .... | .... | 11,604 | 1,245 | 12,849 | 134,133 |
| 1923.... | .... | .... | 14,199 | 2,308 | 16,507 | 71,661 |
| 1924.... | .... | 9,515 | 6,232 | 620 | 16,367 | 135,542 |
| 1925.... | 7,378 | 4,501 | 880 | 36 | 12,795 | 114,088 |
| 1926.... | 13,541 | 26 | 3,634 | 723 | 17,924 | 145,857 |
| 1927.... | 13,623 | 44 | 3,298 | 400 | 17,365 | 145,820 |
| 1928.... | 15,398 | 7 | 5,113 | 5 | 20,523 | 71,802 |
| 1929.... | 16,134 | .... | 1,931 | 869 | 18,934 | 116,040 |
| 1930.... | 10,870 | .... | 2,904 | 50 | 13,824 | 89,230 |
| 1931.... | 8,951 | 3 | 1,678 | 602 | 11,234 | 61,222 |
| 1932.... | 7,720 | 2 | 508 | .... | 8,230 | 107,204 |

In addition to the new rock ballast applied, there was removed, cleaned and replaced the crushed rock ballast in 110 miles of track.

All necessary expenditures were made for repairs and renewals to the roadway structures of your Company to preserve the property from deterioration and keep it in a good, serviceable condition.

Decrease in passenger train car repairs reflects the reduced cost of maintaining the new multiple unit motor driven passenger cars used in New Jersey suburban service.

Continuing the established program of retiring units of equipment showing evidence of age and inadequacy, and in order to avoid unwarranted expense in maintenance, there were retired from service and dismantled during the year, 51 locomotives, 1225 freight train cars, 32 passenger train cars and 85 work equipment units.

The total cost of performing transportation service during the year was $20,072,012, a decrease of $4,985,040, or 19.9%.

As a further measure of economy the operation of ten locomotive terminals at outlying points was discontinued and the work consolidated in the larger terminals, thus effecting a saving of upwards of $120,000 a year.

Cost of fuel for yard and road locomotives decreased 15.8%. A part of this decrease was due to lower cost per ton. About two-thirds of the bituminous coal used was obtained from the mines of the Keystone Mining Company, a subsidiary of your Company located at East Brady in western Pennsylvania. At the rates allowed the Keystone Mining Company, which were on a parity with those charged by other mining companies operating in the same region, your subsidiary company was able to produce coal in 1932 at a fair profit.

Payments for loss and damage of freight in transit were $62,165 less than in the previous year, and the ratio of loss and damage payments to gross freight revenue in 1932 was .47% as compared with .51% in the previous year. There was a further reduction in payments for injuries to persons amounting to 22.8% as compared with similar payments in the preceding year.

The cost of materials and supplies on hand at the close of the year was $1,951,914. Concerted efforts, extending over several years past, have been made to reduce the working balance of materials and supplies to quantities necessary to meet current requirements for maintenance and operation, with the result that the balance is now lower than in any year since 1905. Comparative balances for the past several years are as follows:

| | |
|---|---|
| December 31, 1932 | $1,951,914 |
| December 31, 1931 | 2,095,245 |
| December 31, 1930 | 2,466,458 |
| December 31, 1929 | 2,915,538 |
| December 31, 1928 | 2,830,533 |
| December 31, 1927 | 3,131,790 |
| December 31, 1926 | 3,832,624 |
| December 31, 1925 | 4,297,274 |
| December 31, 1924 | 4,871,979 |
| December 31, 1923 | 5,869,272 |

Included in the material balance at the close of 1932 are 11,179 tons of scrap rail, the sale of which has been deferred in anticipation of a more active market with better prices for this class of material than at present.

### Agriculture

Crops produced in the season of 1932 by farmers located in the territory served by your railroad were generally normal but markets were unfavorable and prices were so low that practically no profit was realized.

[Advertisement]

Dairy farmers complain that the prices received for milk and other dairy products were not compensatory and the prevailing opinion seems to be that a curtailment of production by a substantial reduction of their herds of dairy cattle will be necessary if marketing conditions do not soon improve.

All vegetable growers, consisting chiefly of producers of cabbage, potatoes and lettuce, experienced difficulty in finding a profitable market for their crops, but are planning to plant approximately the same acreage in the approaching season of 1933 with the hope that more favorable markets will prevail.

The trained Agriculturist employed by your Company devotes his entire time to the farming industry, in an effort to assist the farmers in working out their production problems.

### Financial

Additional bank loans of $3,000,000 were negotiated during the year to provide funds for capital expenditures, including grade crossing elimination and other projects ordered by the Public Service Commissions.

This makes a total of $13,000,000 against which have been pledged treasury securities consisting of $10,000,000 face value of Morris & Essex Construction 4½% Gold Mortgage Bonds of 1955, and $10,050,000 face value of New York, Lackawanna & Western 1st and Refunding Mortgage 5% Gold Bonds of 1973.

In order to furnish additional working funds to meet obligations falling due in January, 1933, a loan of $1,000,000 was obtained from The Railroad Credit Corporation, secured by $1,193,000 face value of Oswego & Syracuse Railroad 1st and Refunding Mortgage 5% Bonds of 1974; $443,000 face value of Valley Railroad 1st and Refunding 5% Mortgage Bonds of 1974, and $207,000 face value of Greene Railroad 1st and Refunding 5% Mortgage Bonds of 1974.

### Welfare Expenditures

The pension system was inaugurated June 1st; 1902, and a comparative statement of disbursements for account thereof, by calendar years, is as follows:

| Calendar Year | Amount | Calendar Year | Amount | Calendar Year | Amount |
|---|---|---|---|---|---|
| 1902 | $6,360.94 | 1913 | $103,607.95 | 1923 | $245,071.48 |
| 1903 | 16,202.85 | 1914 | 111,089.68 | 1924 | 260,213.20 |
| 1904 | 24,619.09 | 1915 | 122,828.46 | 1925 | 302,040.85 |
| 1905 | 31,681.05 | 1916 | 134,969.98 | 1926 | 347,161.36 |
| 1906 | 45,196.13 | 1917 | 154,009.42 | 1927 | 369,641.42 |
| 1907 | 51,412.95 | 1918 | 153,577.12 | 1928 | 401,543.04 |
| 1908 | 57,620.24 | 1919 | 160,958.05 | 1929 | 447,995.51 |
| 1909 | 71,322.42 | 1920 | 187,299.98 | 1930 | 499,609.64 |
| 1910 | 80,580.15 | 1921 | 213,625.49 | 1931 | 556,702.53 |
| 1911 | 85,092.24 | 1922 | 223,587.23 | 1932 | 579,161.18 |
| 1912 | 93,521.50 | | | | |
| | | | | | $6,138,303.13 |

| | |
|---|---|
| Number of pensioned employes on rolls December 31st, 1932 | 778 |
| Number of employes pensioned June 1st, 1902 to December 31st, 1932 | 2,104 |
| Number of employes granted pensions during 1932 | 112 |
| Number of pensioned employes removed by death during 1932 | 62 |
| Greatest length of service | 68 years 8 months |
| Number of pensioners who served 50 years and over | 129 |
| Number of pensioners who served between 40 and 50 years | 326 |
| Number of pensioners who served between 25 and 40 years | 312 |
| Number of pensioners who served less than 25 years | 11 |
| Average number of years in employ of Company | 41 years |
| Average age at retirement | 67 years 8 months |
| Average age at present time | 73 years 3 months |

### Group Insurance

Pursuant to the Group Insurance Plan authorized and made effective February 1st, 1922, your Company paid as its proportion of the premiums assessed for the year 1932, $157,284.18.

A statement of the number of beneficiaries and the amount of insurance carried at the close of the year, together with other important details, follows:

| | |
|---|---|
| Number insured December 31, 1932 | 13,871 |
| Total insurance, December 31, 1932 | $27,839,500 |
| Deaths during the year 1932 | 203 |
| Permanent disability claims, year 1932 | 21 |
| Insurance Company paid account of death claims during 1932 | $414,000 |
| Insurance Company paid account of disability claims during 1932 | $40,100 |
| Premiums paid by employes | $236,035.07 |
| Premiums paid by Company | $157,284.18 |
| Number of death claims February 1, 1922 to December 31, 1932 | 1,826 |
| Number paid permanent disability benefits | 188 |
| Amount paid account of death claims February 1, 1922 to December 31, 1932 | $3,553,500 |
| Amount paid account of permanent disability claims | $369,375 |

In addition to the foregoing expenditures, your Company paid as its proportion of the 1932 deficit from the operation of the Moses Taylor Hospital, of Scranton, Penn., $32,839.01, and contributed toward the running expenses of Railroad Y. M. C. A.'s located at various terminals, $19,225.25.

### Taxes

A comparative statement of tax assessments for the years shown below is as follows:

| Calendar Year | Total Tax Assessments | Taxes per Dollar of Gross Revenue Cents | Taxes per Dollar of Revenue after Operating Expenses Cents |
|---|---|---|---|
| 1915 | $2,115,333.84 | 4.72 | 12.42 |
| 1916 | 2,517,882.68 | 4.88 | 12.82 |
| 1917 | 3,584,917.49 | 6.27 | 18.35 |
| 1918 | 3,922,872.54 | 5.71 | 20.85 |
| 1919 | 5,159,802.72 | 7.18 | 32.74 |
| 1920 | 4,539,785.14 | 5.45 | 47.79 |
| 1921 | 4,979,439.57 | 5.80 | 28.01 |
| 1922 | 4,894,466.10 | 6.56 | 44.72 |
| 1923 | 5,995,697.51 | 6.80 | 32.02 |
| 1924 | 6,900,101.85 | 7.96 | 31.02 |
| 1925 | 6,832,652.72 | 8.17 | 32.16 |
| 1926 | 7,671,403.68 | 8.64 | 29.03 |
| 1927 | 7,457,093.11 | 8.81 | 30.43 |
| 1928 | 6,392,638.37 | 7.88 | 27.60 |
| 1929 | 6,635,895.83 | 8.12 | 27.62 |
| 1930 | 6,081,111.71 | 8.73 | 35.67 |
| 1931 | 5,234,483.48 | 8.92 | 41.76 |
| 1932 | 5,216,791.03 | 11.23 | 55.54 |

An itemized statement of important property changes during the year 1932 is as follows:

### Equipment

The following new equipment ordered in 1931 was delivered during the year:

10 Pocono Type 4-8-4 fast freight Locomotives were received and placed in service in May and June.

1 Steel Tank Car was received in August.

In addition to the foregoing, 6 of the 1100 class road freight locomotives were reconstructed in the Company's shops, and alterations made to convert same into a type suitable for drill service.

Three steel coaches were converted into combination mail and baggage cars with 15 ft. mail compartments.

## Statement of Operations for the Years Shown Below

| Year | Gross Revenues | Operating Expenses Less Depreciation Retirements and Reserves | Depreciation Retirements and Reserves | Taxes | Equipment Rents and Uncollectible Railway Revenue | Net Railway Operating Income | Additional Income | Gross Income | Interest on Funded Debt | Guaranteed Rentals | Rentals Paid but Not Guaranteed | Net Income | Earnings per Share $50 Par |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1922 | $ 74,622,344.10 | $ 60,974,648.12 | $ 2,696,999.22 | $ 4,894,466.10 | Cr.$ 885,405.56 | $ 6,941,636.22 | $ 9,895,000.00 | *$16,836,636.22 | $ 5,913.67 | $ 4,798,418.50 | $ 823,838.92 | $ 11,208,465.13 | $ 6.64 |
| 1923 | 88,236,973.96 | 66,664,677.72 | 2,803,175.76 | 5,995,697.51 | Cr. 969,576.18 | 13,742,999.15 | 5,206,652.68 | 18,949,651.83 | 5,856.00 | 5,239,624.41 | 823,033.89 | 12,881,137.53 | 7.63 |
| 1924 | 86,727,183.91 | 61,481,847.35 | 3,004,061.44 | 6,900,101.85 | Cr. 584,788.48 | 15,925,961.75 | 5,064,667.21 | 20,990,628.96 | 5,856.00 | 5,492,999.29 | 822,905.74 | 14,668,867.93 | 8.69 |
| 1925 | 83,635,056.45 | 59,233,840.79 | 3,156,768.87 | 6,832,652.72 | Cr. 522,204.29 | 14,933,998.36 | 6,035,575.32 | 20,969,573.68 | 5,856.00 | 5,666,307.61 | 867,215.53 | 14,430,194.54 | 8.54 |
| 1926 | 88,804,744.97 | 59,181,791.18 | 3,195,698.15 | 7,671,403.68 | Cr. 576,057.77 | 19,331,909.73 | 5,580,453.01 | 24,912,362.74 | 5,856.00 | 6,124,699.29 | 868,606.80 | 17,913,200.65 | 10.61 |
| 1927 | 84,685,830.62 | 57,075,708.11 | 3,107,352.43 | 7,457,093.11 | Cr. 352,422.22 | 17,398,099.19 | 5,277,765.23 | 22,675,864.42 | 5,856.00 | 6,085,149.29 | 877,086.91 | 15,707,772.22 | 9.30 |
| 1928 | 81,135,180.72 | 55,174,740.19 | 2,800,546.65 | 6,392,638.37 | Cr. 351,969.83 | 17,119,225.34 | 2,977,383.19 | 20,096,608.53 | 5,856.00 | 6,085,149.29 | 876,061.64 | 13,129,541.60 | 7.77 |
| 1929 | 81,743,221.97 | 54,769,807.95 | 2,950,102.23 | 6,635,895.83 | Cr. 121,171.22 | 17,508,587.18 | 2,907,654.51 | 20,416,241.69 | 5,832.84 | 6,197,649.29 | 872,629.42 | 13,340,130.14 | 7.90 |
| 1930 | 69,661,490.26 | 49,478,994.77 | 3,133,857.89 | 6,081,111.71 | Cr. 192,397.32 | 11,159,923.21 | 2,588,809.11 | 13,748,732.32 | 2,640.00 | 6,760,290.96 | 903,226.49 | 6,082,574.87 | 3.60 |
| 1931 | 58,674,837.97 | 43,432,378.84 | 2,708,287.38 | 5,234,483.48 | Dr. 58,484.43 | 7,241,203.84 | 1,535,737.89 | 8,776,941.73 | 2,640.00 | 6,760,349.29 | 923,262.05 | 1,090,690.39 | .65 |
| 1932 | 46,447,856.42 | 34,409,982.55 | 2,645,596.84 | 5,216,791.03 | Dr. 163,531.70 | 4,011,954.30 | 1,147,615.45 | 5,159,569.75 | 1,770.00 | 6,760,315.42 | 939,931.73 | *2,542,447.49* | *1.51* |
| | $844,374,721.35 | $601,878,417.57 | $32,202,446.86 | $69,312,335.39 | Cr.$4,333,976.74 | $145,315,408.27 | $48,217,313.60 | $193,532,811.87 | $53,932.51 | $65,970,952.64 | $9,597,799.12 | $117,910,127.60 | $69.82 |

*Includes $4,699,063.93 account of final settlement with U. S. R. R. Administration.
Total Recorded Investment in Railroad Property to December 31, 1932—$311,711,409.74.

[Advertisement]

# GENERAL BALANCE SHEET, DECEMBER 31ST, 1932 AND 1931

## ASSETS

| | 1932 | 1931 | INCREASE OR *DECREASE* |
|---|---|---|---|
| INVESTMENTS: | | | |
| Investment in Road and Equipment: | | | |
| Road | $54,469,551.37 | $54,328,573.99 | $140,977.38 |
| Equipment | 68,091,460.32 | 69,276,009.75 | *1,184,549.43* |
| Improvements on Leased Railway Property | 16,293,280.93 | 16,333,553.09 | *40,272.16* |
| Miscellaneous Physical Property | 2,273,439.01 | 2,271,275.11 | 2,163.90 |
| Investment in Affiliated Companies: | | | |
| Stocks | 9,485,171.37 | 9,485,081.37 | 90.00 |
| Bonds | 3,390,078.50 | 3,368,448.50 | 21,630.00 |
| Notes | 3,772,964.42 | 3,772,964.42 | |
| Advances | 4,097,837.13 | 3,034,870.98 | 1,062,966.15 |
| Other Investments: | | | |
| Stocks | 1,262,218.78 | 1,255,845.35 | 6,373.43 |
| Bonds | 25,489,730.70 | 25,490,180.70 | *450.00* |
| Notes | 632,957.11 | 635,457.11 | *2,500.00* |
| Advances | 12,518,084.45 | 12,038,620.06 | 479,464.39 |
| Total Investments | $201,776,774.09 | $201,290,880.43 | |
| CURRENT ASSETS: | | | |
| Cash | $3,468,491.51 | $2,270,661.40 | 1,197,830.11 |
| Loans and Bills Receivable | 13,311.25 | 210.00 | 13,101.25 |
| Traffic and Car Service Balances Receivable | 855,159.66 | 1,093,338.74 | *238,179.08* |
| Net Balances Receivable from Agents and Conductors | 706,638.50 | 823,443.25 | *116,804.75* |
| Miscellaneous Accounts Receivable | 1,223,658.92 | 1,207,827.07 | 15,831. |
| Materials and Supplies | 1,951,913.88 | 2,095,244.74 | *143,330.* |
| Total Current Assets | $8,219,173.72 | $7,490,725.20 | |
| DEFERRED ASSETS: | | | |
| Working Fund Advances | $36,360.55 | $30,219.84 | |
| Insurance and Other Funds | 178,512.75 | 151,659.00 | |
| Total Deferred Assets | $214,873.30 | $181,878. | |

## LIABILITIES

| | 1932 | 1931 | INCREASE OR *DECREASE* |
|---|---|---|---|
| CAPITAL STOCK: | | | |
| Common Stock | $87,407,500.00 | $87,407,500.00 | |
| Less held by Company. | 2,966,300.00 | 2,966,300.00 | |
| | $84,441,200.00 | $84,441,200.00 | |
| Premium on Capital Stock | 70,720.00 | 70,720.00 | |
| Total Stock | $84,511,920.00 | $84,511,920.00 | |
| LONG TERM DEBT: | | | |
| Funded Debt Unmatured | $70,000.00 | $170,000.00 | *$100,000.00* |
| Less held by Company. | 55,000.00 | 126,000.00 | *71,000.00* |
| | $15,000.00 | $44,000.00 | *29,000.00* |
| Non-Negotiable Debt to Affiliated Companies: | | | |
| Notes | 1,000,000.00 | ..... | 1,000,000.00 |
| Advances | 329,903.89 | 308,288.54 | 21,615.35 |
| Total Long Term Debt | $1,344,903.89 | $352,288.54 | |
| CURRENT LIABILITIES: | | | |
| Loans and Bills Payable | $13,000,000.00 | $10,000,000.00 | 3,000,000.00 |
| Traffic and Car Service Balances Payable | 1,301,846.03 | 1,421,793.31 | *119,947.28* |
| Audited Accounts and Wages Payable | 2,242,777.70 | 2,961,950.18 | *719,172.48* |
| Miscellaneous Accounts Payable | 4,726.30 | 4,696.70 | 29.60 |
| Interest Matured Unpaid | 450.00 | 1,350.00 | *900.00* |
| ividends Matured Unaid | 47,372.00 | 40,507.50 | 6,864.50 |
| red Interest Ac- | 8,611.11 | ..... | 8,611.11 |
| Rents Ac- | 1,661,304.84 | 1,639,434.35 | 21,870.49 |
| t Liabilities | 119,834.62 | 113,556.12 | 6,278.50 |
| al Current iabilities | $18,386,922.60 | $16,183,288.16 | |
| BILITIES: | | | |
| red Liabili- | $899.87 | $5,065.38 | *4,165.51* |

10. Proportion of cost of completing new reinforced concrete bridge over new State Highway Route No. 30, including grading for new highway across Railroad Company's right-of-way (Phillipsburg Branch), Washington, N. J.;
11. Proportion of cost of completing two new under-crossings (State Highway Route No. 30), one at Washington, N. J., consisting of street grading across Railroad Company's right-of-way, and a reinforced concrete flat top bridge with center pier and box abutments, one at Hampton, N. J., consisting of a through plate girder bridge with box abutments;
12. Proportion of cost of a reinforced concrete bridge to carry tracks over State Highway Route No. 8, Delaware, N. J.;
13. Addition of one new timber float bridge pontoon at transfer yard, Jersey City, N. J.;
14. Addition of storage battery for electric lighting and control of signal and track circuits, including 550 volt power line on existing Western Union Company's poles between Dover and Port Morris Junction, N. J.;
15. Replacing original caps and stringers with treated timber, construction of small office building, laying water and steam lines, placing new steel chutes for coal pockets, and one new scale car at Pier No. 6, Jersey City, N. J.;
16. Reinforcing structural steel frame work on coal dumpers on Pier No. 5, to permit the dumping of 70 ton capacity cars, Jersey City, N. J.;
17. Proportion of cost of new reinforced concrete flat-slab bridge to carry Hazel Street over railroad, Paterson, N. J.; Industrial tracks were constructed or extensions made to previously existing tracks serving industries at Washington Secaucus and Clifton, N. J., Nicholson, Kingston, Factor ville, and Taylor, Pa., and Binghamton, Syracuse, Hom Johnson City, Maybury, Black Rock and Buffalo, N. Y.

### Grade Crossings

A grade crossing was eliminated by constructing highway at East Bethany, East Middle Road.

Eleven grade crossings were eliminated by construct crossings at Elmira, N. Y. and a concrete under-cros ating grade crossings at Liberty Street, Binghamton, completed during the year.

Grade crossing eliminations were in progress but at the close of the year at the following points:

was extended to October 31st, 1933, by a further agreement between the same parties at meeting held in Chicago, Ill., December 1st, 1932, and containing provisions as follows:

It is agreed between the parties hereto that the said original agreement is hereby extended, so that up to and including October 31, 1933, ten per cent (10%) shall be deducted from each pay check of each of the said employees covered by this agreement; that basic rates of pay shall remain as under the original agreement; that this agreement shall terminate automatically October 31, 1933; and that neither party prior to June 15, 1933, will serve notice of a desire to change or extend this agreement, or of an intended change in basic rates of pay, such change or extension to become effective on or after November 1, 1933; it being further agreed that in the event that such a notice should be served by any party hereto between June 15, 1933, and November 1, 1933, the proceedings thereunder shall be conducted pursuant to the provisions of the Railway Labor Act and such proceedings shall be conducted nationally in order that the matter may be handled to a conclusion as expeditiously as reasonably possible.

The amount collected by your Company during the year 1932, under the supplemental tariffs effective January 4th, 1932, and extending to March 31st, 1933, was $985,768. Your Company is required by the terms of the Marshalling and Distributing Plan to advance this money to The Railroad Credit Corporation, which, together with similar funds collected from other railroads, The Railroad Credit Corporation is, by the terms of the agreement, obligated to use for the purpose of making loans to railroad companies unable to meet their fixed interest obligations and to avoid default thereon.

Under date of February 13th, last, the National Transportation Committee, created by invitation of most of the large insurance companies and savings banks, made public its report, which you have doubtless read. Many of the recommendations of the Committee have met with general approval, and it is thought that its work will be constructive and helpful. Of its emergency recommendations, corporate reorganization legislation has been enacted by the Congress, and its other emergency suggestions will doubtless be given consideration by the Administration and Congress. Most of its general recommendations are remedies which have been proposed and pressed by the ...iers themselves.

...the stockholders who have rendered valuable service to ...Company in the procurement of competive freight and ...r traffic, and the shippers and travelers who have favored ...pany with their patronage, the Management wishes to ...s sincere appreciation and thanks.

...l and efficient service rendered by officers and em... Company and their earnestness in applying them... necessary but difficult task of reducing costs of

The investment in property devoted to and used in transportation service was $324,622,585.62, a decrease from the previous year of $219,276.16.

The Company's equipment, owned and leased, was valued at $136,612,465.00 and consisted of 758 steam locomotives, 16 electric locomotives, 440 passenger train cars, 48,803 freight train cars and 2,033 work and miscellaneous units. New equipment received during the year, included above, consisted of 1 steam freight locomotive, 192 steel hopper coal cars of 115,000 lbs. capacity each, and 4 tank cars, all built in the Company's Shops at Roanoke, Va., and 1 motorcycle.

Comparison of traffic and operating revenue figures with those of the preceding year shows the following changes:

| | | | | |
|---|---|---|---|---|
| Number of passengers | 775,855 | decreased | 417,093 | 34.96 per cent |
| Average haul of passengers | 76.85 miles | increased | 7.96 miles | 11.55 per cent |
| Revenue from passenger fares | $1,673,662.89 | decreased | $964,553.03 | 36.56 per cent |
| Average rate per passenger per mile | 2.807 cents | decreased | .403 cents | 12.55 per cent |
| Revenue freight carried | 30,447,425 tons | decreased | 8,653,860 tons | 22.13 per cent |
| Average haul of freight | 282.25 miles | increased | 4.42 miles | 1.59 per cent |
| Revenue from freight transportation | $58,851,539.88 | decreased | $15,442,381.71 | 20.79 per cent |
| Average rate per ton per mile | .685 cents | increased | .001 cents | .15 per cent |
| Average tons of revenue freight per train mile | 1,364.69 | decreased | 37.09 tons | 2.65 per cent |
| Shipments of coal | 24,896,394 tons | decreased | 6,213,111 tons | 19.97 per cent |
| Shipments of coke | 206,021 tons | decreased | 84,364 tons | 29.05 per cent |
| Shipments of ore | 99,429 tons | decreased | 150,519 tons | 60.22 per cent |
| Shipments of pig and bloom iron | 11,152 tons | decreased | 31,515 tons | 73.86 per cent |
| Shipments of lumber | 421,503 tons | decreased | 291,108 tons | 40.85 per cent |

Gross Operating Revenues for 1932 were $62,775,611.06, a decrease of $17,079,136.87, or 21.39 per cent. Operating Expenses were $37,745,532.70, a decrease of $12,849,281.74, or 25.40 per cent. Your property has been maintained to the Company's usual standards, the reduction in maintenance charges being largely due to the decreased use of the property, lowered cost of fuel and materials and reduction in wages.

Net Revenues from Operations were $25,030,078.36, a decrease of $4,229,855.13, or 14.46 per cent. Net Income, after paying the regular 4 per cent. dividend of $919,692.00 upon the Adjustment Preferred Stock, was $15,892,226.46, a reduction, as compared with 1931, of $4,347,417.13, or 21.48 per cent. Quarterly dividends of $2.50 per share in March and June and $2.00 per share in September and December, a total of $9.00 per share, were paid on the Common Stock.

This Company joined with other carriers throughout the country in an application to the Interstate Commerce Commission in June, 1931, for an increase of fifteen per cent. in freight rates, as an emergency measure. In October, 1931, the Commission denied the application but authorized modified increases in specific commodities, including coal, until March 31, 1933, to help carriers meet their fixed charges. The proceeds from these increases in rates are segregated from other income of carriers and pooled for the benefit of these carriers. The carriers organized The Railroad Credit Corporation to collect, receive and administer funds resulting from the rate increases, and this Corporation is now actively administering the distribution of funds received by it. The Commission, on March 7th, 1933, authorized the continuance to September 30, 1933 of the emergency surcharges.

In January, 1932, representatives of all organized forces employed by carriers met with a committee of railway executives in Chicago, Illinois, to discuss the matter of reduction in wages, deemed necessary by the managements because of conditions, then prevailing. The result was wages of all organized forces were reduced ten per cent., effective February 1st, 1932, and a similar reduction was made also in the wages and salaries of all officers and employes of the Company, effective same date. These reductions, by agreement, were in December, 1932, continued to October 31st, 1933, with option to employes or carriers to reopen the matter June 15th, 1933.

There was no change in the outstanding Capital Stock, which represented 63.24 per cent. of total outstanding capitalization.

Funded Debt was reduced $6,269,000, principally through payment at maturity of $1,933,000 Norfolk and Western Railroad Company New River Division First Mortgage 6 per cent. bonds, $285,000 Convertible bonds of 1907, $40,000 Convertible bonds of 1912, $3,270,000 Equipment Trust 4½ per cent. certificates and purchase of $808,000 Norfolk and Western Railroad Company Improvement and Extension Mortgage 6 per cent. bonds. Funded Debt represented 36.76 per cent. of total outstanding capitalization.

Taxes amounted to $7,200,000, a decrease of $950,000, or 11.66 per cent., under 1931. Notwithstanding increase in income tax rate of 1¾ per cent., United States Government taxes decreased $355,000 due to reduction in earnings, and State, County and Municipal taxes decreased $595,000 due to lower levies or assessments.

The more important additions and betterments were the laying of an additional 74.31 miles of track with 130 lb. rail and the addition of 128,629 cubic yards of standard ballasting, almost entirely stone, in main line tracks. At Lambert Point, Va., additional fire protection was provided at certain piers and warehouses and improvements made in two coal piers to improve conditions for handling and loading coal. Telegraph and telephone iron wires on a large part of the Norfolk Division were replaced with copper wires. The renewal and strengthening of bridges on North Carolina Branch to permit use of heavy equipment was completed. Numerous other bridges at sundry points on your Company's lines were strengthened. Highway bridges at sundry places were improved and twelve grade crossings were eliminated.

The Interstate Commerce Commission on July 18th and September 30th, 1932, authorized the abandonment of 33.57 miles of Potts Valley Branch, from Oehl, Va., to Paint Bank, Va., extending through Giles and Craig Counties, Va., and Monroe County, W. Va. Removal of tracks will be completed in May, 1933. The portion of said branch, 4.68 miles, between Potts Valley Junction, Va., on your main line, and Oehl, Va., will be continued in operation.

The railroad, property and franchises of the Big Sandy and Cumberland Railroad Company (including the lease of the Knox Creek Railway Company) were acquired by the Company on October 26th, 1932, and the corporate organization of the Big Sandy and Cumberland Railroad Company was dissolved December 7th, 1932.

Construction on the Guyandot and Tug River Railroad from a connection with this Company's line at Wharncliffe, W. Va., to Gilbert, W. Va., 10.5 miles, was resumed, including the yard

## Condensed General Balance Sheet, December 31, 1932

| | | |
|---|---|---|
| ASSETS: | | |
| Investments | | $511,820,410.59 |
| Investment in Road | $324,622,585.62 | |
| Investment in Equipment Owned | 104,491,828.22 | |
| Investment in Equipment in Trust | 32,120,636.78 | |
| Sinking Funds and Deposits Account Property Sold | 1,204,158.78 | |
| Miscellaneous Physical Property | 6,120,790.50 | |
| Investment in Affiliated Companies | 13,012,706.68 | |
| Other Investments | 30,246,704.01 | |
| Current Assets | | 14,777,704.18 |
| Cash | 7,279,324.22 | |
| Material and Supplies | 4,720,269.98 | |
| Other Current Assets | 2,140,624.41 | |
| Deferred Assets | | 13,865,311.24 |
| Norfolk and Western Railway Company-Pocahontas Coal & Coke Company Joint Purchase Money Mortgage Bonds, Securities Held for Relief Fund, etc. | | |
| Unadjusted Debits | | 4,204,266.51 |
| Total | | $544,667,692.52 |
| LIABILITIES: | | |
| Capital Stock | | $163,640,600.00 |
| Adjustment Preferred | $22,992,300.00 | |
| Common | 140,648,300.00 | |
| Long Term Debt | | 95,132,531.92 |
| Mortgage Bonds | 85,131,500.00 | |
| Convertible Bonds | 115,000.00 | |
| Equipment Obligations | 3,800,000.00 | |
| Miscellaneous | 6,086,031.92 | |
| Current Liabilities | | 3,706,292.24 |
| Traffic and Car Service Balances, Accounts and Wages Payable, Interest and Dividends Matured and Unpaid, Unmatured Dividends Declared and Other Current Liabilities. | | |
| Deferred and Joint Liabilities | | 13,808,032.77 |
| Norfolk and Western Railway Company-Pocahontas Coal & Coke Company Joint Purchase Money Mortgage Bonds, Securities Purchased for Relief Fund, etc. | | |
| Unadjusted Credits | | 62,775,471.99 |
| Accrued Depreciation — Road, Equipment and Miscellaneous Physical Property | $55,563,600.44 | |
| Tax Liability, Insurance Reserves and Other Unadjusted Credits | 7,211,871.55 | |
| Sinking Fund Reserves | | 640,061.43 |
| Corporate Surplus | | 204,964,702.17 |
| Additions to Property Through Income and Surplus | $44,705,985.33 | |
| Road | $21,400,659.06 | |
| Equipment | 23,305,326.27 | |
| Funded Debt Retired Through Income and Surplus | 9,235,000.00 | |
| Profit and Loss Balance | 151,023,716.84 | |
| Total | | $544,667,692.52 |

[Advertisement]

near Gilbert, W. Va., to be built jointly with the Virginian Railway Company, grading for which will be completed in April, 1933. Track to be laid by your Company will be completed and operation commenced approximately July 1st, 1933. This railroad, a subsidiary of the Company, is being constructed to provide access to markets in the West for coal traffic originating on the Guyandot line and on the Virginian Railway.

One hundred and six new industries located on the Company's line, manufacturing food, textile, lumber, chemical, petroleum, coal, machinery and miscellaneous products, with a total capitalization of $4,930,000 and employing 2,741 persons. Forty-seven additions to established plants were completed, costing $6,294,690 and employing 1,109 persons. Three new coal mines were placed in operation. At the close of the year there were 134 companies organized for producing coal and coke on this Company's line, with a total of 192 mines, of which 151 mines were in actual operation.

On February 13th, 1931, the Interstate Commerce Commission issued a Recapture Report against the Company, based upon the Commission's valuation of the Company's property, ascertaining recapturable Net Railway Operating Income at $31,698,689.00 for the three years 1924, 1925 and 1926, one-half of which, $15,849,344.51, was ordered to be paid to the Commission. The Company takes the position that no recapture is due for the years in question and Protest as to valuation and recapture fixed by the Commission has been filed. Hearings commenced February 15th, 1932, and your Company had at the end of the year advanced far in the presentation of its case.

At the close of the year the Relief Fund had 17,199 members, equivalent to 90.99 per cent. of the total number of employees, a decrease in the year of 2,168 members and a decrease of 0.48 per cent. in ratio of members to employees.

At the close of the year there were 838 employees on the Pension Roll, a net increase of 41 in the year, with an average pension of $712.30 per annum, compared with an average pension of $676.92 per annum at the close of 1931. On December 31st, 1932, there was a balance in the Fund of $177,351.25, to which was added an appropriation in December, 1932, of $738,746.57 and interest received during the year of $149,664.56, a total of $1,065,762.38, against which was charged $572,561.85 paid to Railway Company in reimbursement of pensions paid by it in 1932, $318,666.18 investments, and $25.74 taxes, leaving a balance in the Fund on December 31st, 1932, of $174,508.61. At the close of the year the Trustees of the Fund held securities of the face value of $3,743,000 (having a book value, including interest to date of purchase, of $3,547,115.50) and $174,508.61 in cash.

Isaac T. Mann, a member of the Board of Directors and of its Finance Committee, died in Washington, D. C., May 18th, 1932. Mr. Mann was closely associated with banking and the coal industry in the territory traversed by the Company's lines, which gave him an intimate and valuable knowledge of conditions vitally affecting the Company.

At the meeting of the Board held February 28th, 1933, Mr. Richard K. Mellon, of Pittsburgh, Pa., was elected a Director, to succeed Isaac T. Mann, deceased.

By order of the Board of Directors.

A. C. NEEDLES,
*President.*

# Atchison, Topeka & Santa Fe Railway System

OFFICE OF
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY SYSTEM,
120 Broadway, New York City.
MARCH 7, 1933.

*To the Stockholders:*

Your Directors submit the following report for the fiscal year January 1, 1932, to December 31, 1932, inclusive.

## Income and Profit and Loss Statement

The following is a summary of the transactions of the System for the years ending December 31, 1931 and 1932:

| | 1931 | 1932 |
|---|---|---|
| Operating revenues | $181,181,260.58 | $133,133,537.52 |
| Operating expenses | 132,812,924.30 | 101,918,322.59 |
| Net operating revenues | $ 48,368,336.28 | $ 31,215,214.93 |
| Railway tax accruals | 15,038,205.52 | 12,824,969.82 |
| Uncollectible railway revenues | 53,319.51 | 37,568.13 |
| Equipment and joint facility rents | 1,827,537.56 | 692,883.53 |
| Net railway operating income | $ 31,449,273.69 | $ 17,659,793.45 |
| Other income | 5,084,637.41 | 3,239,958.18 |
| Gross income | $ 36,533,911.10 | $ 20,899,751.63 |
| Miscellaneous tax accruals | 114,334.29 | 75,992.78 |
| Rent for leased roads and other charges | 508,431.49 | 474,438.27 |
| | $ 35,911,145.32 | $ 20,349,320.58 |
| Interest on bonds, including accrued interest on adjustment bonds | 12,809,454.30 | 12,804,313.13 |
| Net corporate income (representing amount available for dividends and surplus) | $ 23,101,691.02 | $ 7,545,007.45 |
| Surplus to credit of Profit and Loss, December 31, 1931 | | 316,320,008.46 |
| Total | | $323,865,015.91 |
| Appropriations for the year: | | |
| DIVIDENDS ON PREFERRED STOCK— | | |
| No. 68 (2½%) paid August 1, 1932 | $3,104,320.00 | |
| No. 69 (2½%) paid February 1, 1933 | 3,104,320.00 | $6,208,640.00 |
| DIVIDENDS ON COMMON STOCK— | | |
| No. 108 (1%) paid June 1, 1932 | | 2,427,060.00 |
| California-Arizona Lines Bonds Sinking Fund | | 23,396.44 |
| S. F. & S. J. V. Ry. Co. Bonds Sinking Fund | | 8,424.92 |
| | | 8,667,521.36 |
| | | $315,197,494.55 |
| Surplus appropriated for investment in physical property | $ 90,411.80 | |
| Miscellaneous debits—Net | 668,985.19 | $759,396.99 |
| Donations in connection with industry tracks, etc. | | 90,411.80 |
| | | 668,985.19 |
| Surplus to credit of Profit and Loss December 31, 1932 | | $314,528,509.36 |

"Other income" consists of interest accrued and dividends received on securities owned, including United States Government securities, interest on bank balances, rents from lease of road and other property, and other miscellaneous receipts.

## Comparison of Operating Results

The following is a statement of revenues and expenses of the System for the year ending December 31, 1932, in comparison with the previous year:

| | Year ending Dec. 31, 1932 | Year ending Dec. 31, 1931 | Increase or *Decrease* |
|---|---|---|---|
| OPERATING REVENUES: | | | |
| Freight | $107,400,213.35 | $143,624,008.07 | *$36,223,794.72* |
| Passenger | 14,520,805.52 | 22,557,053.51 | *8,036,247.99* |
| Mail, express, and miscellaneous | 11,212,518.65 | 15,000,199.00 | *3,787,680.35* |
| Total operating revenues | $133,133,537.52 | $181,181,260.58 | *$48,047,723.06* |
| OPERATING EXPENSES: | | | |
| Maintenance of way and structures | $ 15,342,513.57 | $ 23,825,471.99 | *$ 8,482,958.42* |
| Maintenance of equipment | 31,536,603.77 | 39,822,045.92 | *8,285,442.15* |
| Traffic | 4,920,729.75 | 5,685,352.82 | *764,623.07* |
| Transportation—Rail line | 43,997,002.77 | 57,047,975.62 | *13,050,972.85* |
| Miscellaneous operations | 79,305.64 | 206,724.28 | *127,418.64* |
| General | 5,962,474.43 | 6,522,043.85 | *559,569.42* |
| Transportation for investment—Cr. | 79,692.66 | *296,690.18* | 376,382.84 |
| Total operating expenses | $101,918,322.59 | $132,812,924.30 | *$30,894,601.71* |
| Net operating revenue | $ 31,215,214.93 | $ 48,368,336.28 | *$17,153,121.35* |
| Railway tax accruals | 12,824,969.82 | 15,038,205.52 | *2,213,235.70* |
| Uncollectible railway revenues | 37,568.13 | 53,319.51 | *15,751.38* |
| Railway operating income | $ 18,352,676.98 | $ 33,276,811.25 | *$14,924,134.27* |
| Equipment rents—Net—Dr. | *43,958.88* | 990,617.12 | *1,034,576.00* |
| Joint facility rents—Net—Dr. | 736,842.41 | 836,920.44 | *100,078.03* |
| Net railway operating income | $ 17,659,793.45 | $ 31,449,273.69 | *$13,789,480.24* |

Credits in italics

The following averages for 1932 compared with 1931 are deduced from tables set forth elsewhere in the report.

The average tons of freight (revenue and company) per loaded car mile decreased from 22.28 to 20.52, or 7.90 per cent.

The average tons of freight (revenue and company) carried per freight-train mile (freight and mixed) decreased from 655.11 to 550.16, or 16.02 per cent.

The average freight revenue per freight-train mile decreased from $6.99 to $5.97, or 14.59 per cent.

The average passenger revenue per passenger-train mile decreased from $1.04 to $.76, or 26.92 per cent.

The average passenger-train revenue per passenger-train mile decreased from $1.57 to $1.21, or 22.93 per cent.

The tons of revenue and company freight carried one mile decreased 3,552,580,477, or 26.40 per cent, the miles run by loaded and empty freight and work cars in freight and mixed

[Advertisement]

trains decreased 180,089,297, or 18.68 per cent, and the mileage of such trains decreased 2,538,467, or 12.36 per cent.

The number of revenue passengers carried one mile decreased 225,572,985 or 28.22 per cent, the miles run by passenger-train cars (excluding company service) in passenger and mixed trains decreased 27,763,756, or 16.70 per cent, and the mileage of such trains decreased 2,546,069, or 11.79 per cent.

### Taxes

Federal, state, local, and miscellaneous railway tax accruals for the year 1932 aggregate $12,824,969.82 a decrease of $2,213,235.70 compared with the year 1931. A comparison of these accruals for the two years is presented in the following table:

| Federal Taxes: | 1932 | 1931 | Decrease |
|---|---|---|---|
| Income | $ 798,675.30 | $ 1,400,430.42 | $ 601,755.12 |
| Miscellaneous | 9,069.25 | 15,299.10 | 6,229.85 |
| Total | $ 807,744.55 | $ 1,415,729.52 | $ 607,984.97 |
| State, Local and Miscellaneous | 12,017,225.27 | 13,622,476.00 | 1,605,250.73 |
| Grand total | $12,824,969.82 | $15,038,205.52 | $2,213,235.70 |

### General

The decline in general business has included the railroads, your Company in common with the rest, and 1932 witnessed the third successive year of reduction in traffic. Gross operating revenues declined 26.52 per cent, expenses 23.26 per cent, and net revenue 35.46 per cent. Agriculture, which is of major importance, both directly and indirectly, to our territory suffered more from abnormally low prices than from crop conditions. Crops as a whole made fair yields, wheat alone being poor, particularly in central and western Kansas and southeastern Colorado, due to a deficiency in moisture through the winter and spring. Corn made a fine crop and cotton a fair one. Other grains, citrus and deciduous fruits, and vegetables were average. Livestock conditions, except price, were about normal. The water supply in the reservoirs of Arizona and California was much better than for some years, and much of it still remains, giving assurance for the current year. However, there has been a deficiency in precipitation during the winter up to the present time, but it is hoped that this will be brought up to normal during the latter part of the winter season as frequently occurs. Manufacturing, building, mining, and lumbering have been in limited volume, while the oil industry has done relatively better. Aside from the resulting diminution of traffic from the above conditions, the only extraordinary problem or difficulty which has confronted your Company was a severe washout of the joint Southern Pacific-Santa Fe line on the Tehachapi Pass, which interrupted service to and from the San Joaquin Valley for two weeks the early part of October, which is the time of our heaviest grape movement.

The program of additions and betterments for 1932 was limited to such work as was immediately required and no new equipment was purchased, except two gas-electric motor cars ordered during the preceding year. Capital expenditures for the current year will be on about the same basis. The condition of roadway, structures, and equipment is being well maintained, while every justifiable economy is being practiced. In connection with roadway maintenance 129 miles of old rail were replaced with new 110-lb. rail, and 1,517,324 new ties were inserted. Since the adoption of 110-lb. rail as standard for our transcontinental main lines 3,638 miles of this weight have been laid, and in addition 13 miles of 130-lb. rail, which is placed on mountain stretches where there is unusual wear. Our 1933 program comprises 8 miles of 130-lb., 280 miles of 110-lb., and 9 miles of 90-lb. rail.

The 10 per cent wage reduction agreement with the representatives of the employes' organizations for the year ending January 31, 1933, has been extended 9 months and will be applied to all officers and employes.

While it has not been found possible to take off any further great amount of passenger service, about 150,000 train miles additional per annum were eliminated, making the total reduction in such service in the past three years, roughly, 5,550,000 train miles per annum.

Your Company contributed to the Railroad Credit Corporation $1,550,705.67 up to December 31, as required by the order of the Interstate Commerce Commission in authorizing certain limited increases in freight rates. These funds are being used by the Credit Corporation to assist various railroads in meeting interest payments, which would otherwise be in default, and are repayable with interest within four years. The Credit Corporation at December 31 had extended aid to a total of about $47,000,000. The railroads are asking authority to discontinue payments to the Credit Corporation at the close of March, 1933, but to continue the emergency rate increases.

Pick-up and delivery service by local truckmen, as instituted in 1931, was continued. A very considerable volume of freight was accorded this service, which it is felt has shown itself to be helpful in meeting truck competition. However, as long as competitive trucks are not regulated and can name whatever rate is necessary to capture the business, it is impossible to determine what traffic the railroads can expect to handle in competition with truck transportation. The need of reasonable regulation of truck transportation is so evident in the interest of the public generally and of shippers, motor carriers, and railroads, that it seems reasonable to hope it will not be much longer delayed.

During the year 1932 your Company paid out in pensions to its retired employes $920,970.00, there being 1,781 pensioners on the roll at December 31, 1932, compared with $799,716.60 paid in 1931 and 1,546 pensioners, December 31, 1931. The pensioners have an average service of 29 years with the Company and an average age of 66 years. During 1932 death benefits were paid in 503 cases, amounting to $540,479.89, compared with 376 cases, amounting to $431,808.75 in 1931. The average length of service in all cases in which death benefits were paid in 1932 was 19 years, the same as in 1931.

During the year the Company suffered the loss of Mr. Arthur G. Wells, Vice President in charge of operations, who died in Chicago, September 3, 1932. Mr. Wells began his service with the Santa Fe at Albuquerque in 1881 in the purchasing department of the then Atlantic and Pacific Railroad Company. Except for an interim of seven years from 1886 to 1893, when he was in the operating departments of two other companies, the rest of his life was given to your Company, making a total of forty-four years in its service.

Mr. Wells was a master of every detail of railroad operation. In the councils of operating officers his voice was outstanding because of his sound judgment. He was steadfast in principle, not swayed by expediency. In his relations with the railroad organizations not only his absolute fairness, but more than this, his warm human sympathy were universally recognized. As a citizen he supported generously the public good. Among those who knew him well he commanded both admiration and deep affection for his courtesy, his kindliness, and his sterling character. His loss will be felt far beyond the ranks of this Company.

Your Directors acknowledge with pleasure the faithful and efficient service rendered by the officers and employes of the Company.

W. B. Storey, *President.*

[Advertisement]

# News (Railway Officers)

(*Continued from page 523*)

been appointed to the newly-created position of terminal superintendent, with headquarters as before at Kansas City. **A. R. Miller,** assistant superintendent of the St. Louis Terminal division, St. Louis, Mo., has been appointed to the newly-created position of terminal superintendent of the same division, and the position of assistant superintendent has been abolished.

## TRAFFIC

**H. G. Snyder,** freight agent on the St. Louis-San Francisco at Springfield, Mo., has been promoted to general agent, with headquarters at Oklahoma City, Okla., to succeed **R. C. Mills,** who has retired.

**L. L. Davis,** freight traffic agent for the Nashville, Chattanooga & St. Louis at Atlanta, Ga., has been promoted to general agent at Augusta, Ga., succeeding **J. R. Peebles,** deceased.

**J. H. Lipscomb** has been appointed general freight and passenger agent on the Colorado & Southern, with headquarters at Denver, Colo., to succeed **G. H. Logan,** who has retired.

**R. G. Amiot,** assistant general passenger agent of the Canadian Pacific, has been appointed passenger traffic commissioner, succeeding **E. J. Hebert,** retired. **James E. Roach,** assistant general agent, passenger department, at New York, has been appointed acting general agent succeeding the late **F. R. Perry. S. E. Corbin,** assistant general agent at Toronto, Ont., has been transferred to New York.

**Lucien Snow,** freight traffic manager of the Maine Central, will, providing permission is received from the Interstate Commerce Commission, be appointed assistant to the general freight traffic manager of the Maine Central and the Boston & Maine, and **Gilbert Miller,** assistant

(*Continued on page 539*)

# ANNUAL REPORT OF PULLMAN INCORPORATED AND ALL SUBSIDIARIES

## For Fiscal Year 1932

TO THE STOCKHOLDERS:

There are submitted herewith statements showing the results of the operation of Pullman Incorporated and all subsidiaries for the fiscal year ended December 31, 1932, and the financial condition of your Company at that date. A consolidated net loss of $3,834,724.78 was sustained in 1932 contrasted with total earnings in 1931 from all sources of $2,378,632.39. This loss in conjunction with payments of dividends at the rate of $3 per share during 1932 necessitated a draft of $15,295,265.28 on surplus from previous years. The consolidated balance sheet of December 31, 1932, showed net working assets of $64,277,882.27, as compared with $68,335,805.78 at the end of the previous year. The total of $37,895,923.40 in cash and government securities represents a decrease of $1,446,462.75 under the amount of similar assets as reported at end of previous year.

### 1932 Operations

The outstanding features of 1932 operations were—

For the first time in nearly two-thirds of a century the Pullman carrier business was operated at a loss, owing to the unparalleled contraction in passenger travel. In spite of drastic retrenchment in every department of the business, the carrier subsidiary had an operating loss of $1,220,034.59 against net earnings of $3,263,619.47 in 1931.

Manufacturing operations in American plants were practically suspended, resulting in an operating loss of $4,074,830.03 for all manufacturing subsidiaries, as compared with a deficit of $2,340,174.54 in 1931.

Reduction in rate and amounts of income from investments, which yielded an earning of $1,460,139.84 in 1932, a shrinkage of $381,147.18 from the income realized from this source in 1931.

### Carrier Business

The year 1932 witnessed a decline in railroad passenger traffic to a level below that for any previous year since 1900, and a concurrent shrinkage in the volume of Pullman travel to the lowest level since 1909. This reflects the realities of a depression which has severely contracted the spending ability of the American traveling public. Pullman travel is especially sensitive to general business conditions, as indicated by Diagram A of this report, which presents a combined picture of the swings in Pullman gross revenue and in general business activity during the last thirteen years, and reveals the close relationship between the two. It will be noted that the Pullman curve fluctuates markedly like the major swings of the two business and trade curves plotted on this diagram, and it is deduced from this record that the outlook for Pullman travel during the current year coincides with that for general business activity.

A noticeable feature in Diagram A is the indication of a parallel temporary suspension of the normal volume of summer tourist and vacation travel in the two depression periods 1921 and 1930-32. Diagram A also reflects the impact on Pullman travel of competing lower-cost agencies of transportation, during such periods of extreme economic stress. Travelers bent on economy have sought the lowest-cost transportation available, resulting in much necessitous patronage of railroad coach and of highway vehicles, with resultant lessened usage of the Pullman services and general lowering of American standards of travel comfort by rail and of both comfort and safety by use of highway vehicles. This is shown by decidedly smaller loss in volume reported in 1932 for inter-city motor bus and railroad coach traffic. For the latter, transportation has been made quite widely and almost continuously available to the traveling public at rates substantially lower than those charged travelers who wished to use Pullman accommodations. Such new differential rates, in addition to the regular surcharge differential, have been an added and heavy handicap on the sale of Pullman accommodations. These differential rates have met with widespread objection on the part of the traveling public adversely affected thereby and have been opposed by Pullman as unduly repressive of sleeping and parlor car travel.

Ordinary maintenance of the car equipment has been performed up to the standards of the business. Notwithstanding the existence of an average surplus of about 3,500 Pullman car units throughout 1932, as measured by the number of cars operated (5,693) out of the total ownership (9,279), a program of forward maintenance—providing for the more extensive renewals of service life—was continued through 1932 and is still in effect although the cars operated thus far in 1933 have averaged below 5,200. Increased efficiency in the shops and lower unit costs of material and labor have multiplied the effective value of expenditure for this purpose that in 1932 amounted

### CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1932

#### ASSETS

| | | | |
|---|---|---|---|
| CURRENT ASSETS: | | | |
| Cash and U. S. Government Securities* | | $ 37,895,923.40 | |
| Accounts and Notes Receivable | | 7,176,721.17 | |
| Equipment Trust and Other Deferred Payment Car Accounts | | 20,486,099.53 | |
| Marketable Securities* | | 1,720,137.69 | |
| Inventories at Cost | | 7,891,752.07 | $ 75,170,633.86 |
| INVESTMENT IN AFFILIATED COMPANIES AND OTHER SECURITIES | | | 2,881,293.75 |
| DEFERRED CHARGES APPLYING TO FUTURE OPERATION OF THE PROPERTIES | | | 358,669.16 |
| RESERVE FUND ASSETS: | | | |
| Pension and Insurance Reserve Fund Assets (U. S. Government Securities) | | | 7,502,462.71 |
| EQUIPMENT AND PROPERTY: | | | |
| Balance, December 31, 1931 | $394,238,466.60 | | |
| Additions during Year | 2,100,967.85 | $396,339,434.45 | |
| *Less:* | | | |
| Ordinary Retirements during Year | $ 6,213,662.92 | | |
| Adjustments as of December 31, 1932 | 20,936,417.98 | 27,150,080.90 | |
| | | $369,189,353.55 | |
| DEDUCT | | | |
| Depreciation Reserve: | | | |
| Balance, December 31, 1931 | $157,347,821.71 | | |
| Additions during Year | 12,759,317.62 | | |
| | $170,107,139.33 | | |
| *Less:* Charges on Account of Retirements during Year | 3,965,423.65 | | |
| | | 166,141,715.68 | 203,047,637.87 |
| | | | $288,960,697.35 |

*At cost or market whichever is lower.

#### LIABILITIES

| | | | |
|---|---|---|---|
| CURRENT LIABILITIES: | | | |
| Current Accounts Payable and Payrolls | | $ 7,372,859.52 | |
| Accrued Taxes, not yet due, including Reserve for Federal Income Tax | | 3,519,892.07 | $ 10,892,751.59 |
| SUNDRY RESERVES: | | | |
| Pension and Insurance Reserves | | $ 7,692,374.47 | |
| Reserve for Contingencies | | 2,500,000.00 | |
| Other Reserves | | 1,868,768.67 | 12,061,143.14 |
| DEFERRED CREDITS APPLYING TO FUTURE OPERATION OF THE PROPERTIES | | | 207,680.35 |
| CAPITAL STOCK | | | |
| PULLMAN INCORPORATED | | | |
| Authorized | 3,875,000.00 shares, of no par value. | | |
| Unissued | 372.48 shares, held for exchange for 186.24 outstanding shares of The Pullman Company. | | |
| Issued | 3,874,627.52 shares at stated value of $50 per share | $193,731,376.00 | |
| Reacquired (In Treasury) | 54,320.00 shares at stated value of $50 per share | 2,716,000.00 | |
| Outstanding | 3,820,307.52 shares | $191,015,376.00 | |
| THE PULLMAN COMPANY (a subsidiary) | | | |
| Outstanding 186.24 shares of $100 par value each | | 18,624.00 | |
| | | $191,034,000.00 | |
| SURPLUS AS PER STATEMENT FOLLOWING | | 74,765,122.27 | 265,799,122.27 |
| | | | $288,960,697.35 |

[Advertisement]

## CONSOLIDATED SURPLUS ACCOUNT

YEAR ENDED DECEMBER 31, 1932

| | | | |
|---|---|---|---|
| BALANCE OF SURPLUS, as at December 31, 1931 | | | $112,565,684.16 |
| Restoration to Surplus, of 1931 Reserve for Depreciation on Securities | | | 5,000,000.00 |
| | | | $117,565,684.16 |
| From Valuation of Properties | | $ 89,637,854.77 | |
| Deduct: Adjustment on revalued property units (239 cars) retired in 1932 | $ 1,560,280.90 | | |
| Adjustment of Asset Values per detail in this Annual Report | 23,445,015.71 | 25,005,296.61 | 64,632,558.16 |
| From Earnings, after dividends | | 27,927,829.39 | |
| Deduct: Deficit from Operations—1932 | 3,834,724.78 | | |
| Dividends paid—1932 | | | |
| February 15 | 2,864,999.25 | | |
| May 15 | 2,865,020.25 | | |
| August 15 | 2,865,033.00 | | |
| November 15 | 2,865,033.00 | | |
| To minority stockholders in The Pullman Company | 455.00 | | |
| Reserve for Contingencies, appropriated as of December 31, 1932 | 2,500,000.00 | 17,795,265.28 | 10,132,564.11 |
| BALANCE OF SURPLUS, as at December 31, 1932 | | | $ 74,765,122.27 |

## CONSOLIDATED INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1931 AND 1932

| EARNINGS: | 1931 | 1932 |
|---|---|---|
| From carrier business of The Pullman Company, after deducting all expenses incident to operations | $ 13,783,363.77 | $ 8,773,519.78 |
| *Less:* Charges and allowances for Depreciation | 10,519,744.30 | 9,993,554.37 |
| | $ 3,263,619.47 | $ *1,220,034.59** |
| From all manufacturing properties, Pullman Railroad, and other miscellaneous properties, after deducting expenses incident to operations | $ 484,477.97 | $ *1,309,066.78** |
| *Less:* Charges and allowances for Depreciation | 2,824,652.51 | 2,765,763.25 |
| | $ *2,340,174.54** | $ *4,074,830.03** |
| From Security Investments, etc. | $ 1,841,287.02 | $ 1,460,139.84 |
| TOTAL EARNINGS FROM ALL SOURCES | $ 2,764,731.95 | $ *3,834,724.78** |
| *Less:* Reserve for Federal Income Tax | 386,099.56 | ..... |
| BALANCE OF EARNINGS | $ 2,378,632.39 | $ *3,834,724.78** |

*Figures in *italics* denote deficit.

## THE PULLMAN COMPANY

TRAFFIC AND OPERATING STATISTICS

COMPARATIVE STATEMENT FOR YEARS ENDED DECEMBER 31

| ITEM | 1928 | 1929 | 1930 | 1931 | 1932 |
|---|---|---|---|---|---|
| CARS OWNED | 9,248 | 9,529 | 9,860 | 9,483 | 9,279 |
| CARS OPERATED | 8,631 | 8,842 | 8,559 | 7,402 | 5,693 |
| CAR MILES | 1,153,889,647 | 1,206,767,059 | 1,183,668,557 | 1,025,164,501 | 799,484,608 |
| REVENUE PASSENGERS: | | | | | |
| Berth | 21,310,891 | 21,008,719 | 18,498,844 | 14,583,183 | 10,185,444 |
| Seat | 12,613,029 | 12,425,549 | 10,861,342 | 8,401,738 | 5,564,063 |
| TOTAL | 33,923,920 | 33,434,268 | 29,360,186 | 22,984,921 | 15,749,507 |
| REVENUE PASSENGER MILES | 13,937,849,095 | 14,058,525,111 | 12,515,414,775 | 9,891,910,222 | 6,757,760,858 |
| REVENUE FROM CARS | $ 82,249,127 | $ 83,840,812 | $ 77,666,074 | $ 63,683,507 | $ 44,196,043 |
| Average per Car | $ 9,529.50 | $ 9,482.32 | $ 9,074.31 | $ 8,603.44 | $ 7,763.50 |
| EXPENSES | $ 71,311,068 | $ 74,655,613 | $ 72,729,214 | $ 60,773,171 | $ 45,416,077 |
| Average per Car | $ 8,262.20 | $ 8,443.29 | $ 8,497.40 | $ 8,210.37 | $ 7,977.53 |
| NET REVENUE FROM CARS | $ 10,938,059 | $ 9,185,199 | $ 4,936,860 | $ 2,910,336 | $ *1,220,034** |
| TRAFFIC AVERAGES: | | | | | |
| Average Revenue per Passenger | $ 2.42 | $ 2.51 | $ 2.65 | $ 2.77 | $ 2.81 |
| Average Net Revenue per Passenger | $ 0.32 | $ 0.27 | $ 0.17 | $ 0.13 | $ *0.08** |
| Average Net Revenue per Car per Day | $ 3.46 | $ 2.85 | $ 1.58 | $ 1.08 | $ *0.59** |
| Average Mileage per Car Operated | 133,691 | 136,484 | 138,297 | 138,496 | 140,438 |
| Average Journey per Passenger (Miles) | 411 | 420 | 426 | 430 | 429 |
| Average Miles per Car per Day | 365 | 374 | 379 | 379 | 384 |
| Average Loading per Car (Passengers) | 12.08 | 11.65 | 10.57 | 9.65 | 8.46 |

*Figures in *italics* denote loss.

in dollars to 57 per cent of the 1929 peak rate.

In the 1931 annual report mention was made of the activities of your manufacturing and carrier subsidiaries in several years of experimentation with various types of apparatus for air conditioning in railway passenger cars. This experimentation has continued during the past year and there are now in regular service, under special contracts with the railroads to which the cars are assigned, a total of 106 Pullman cars equipped with air conditioning apparatus. The operation of these cars in 1932 was very satisfactory, and the patronage of the traveling public has indicated strong approval of this improvement in rail passenger service. The Pullman Company stands ready to co-operate with the railroads in extending this improvement in rail passenger travel.

### Manufacturing Business

Reflecting intensification of the railroad problem by the continuation and deepening of economic depression, with resultant necessity for elimination of capital expenditures, fewer freight cars were ordered in 1932 by railroads in the United States than in any other year in the present century. The depth of the 1932

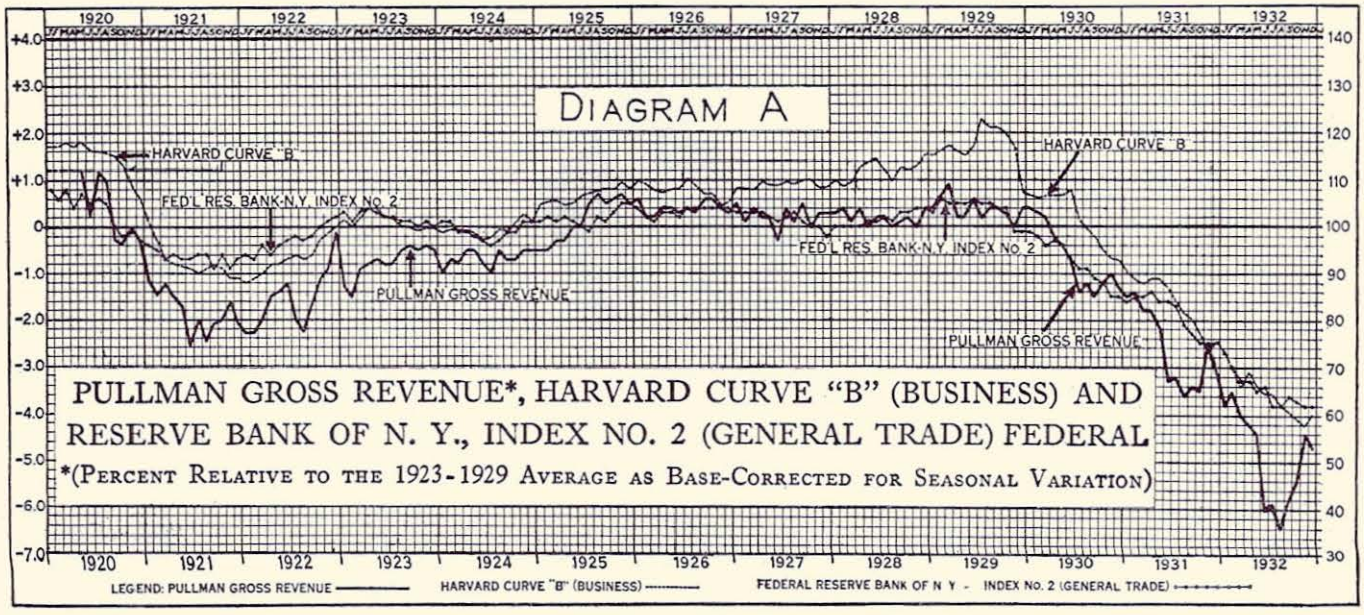
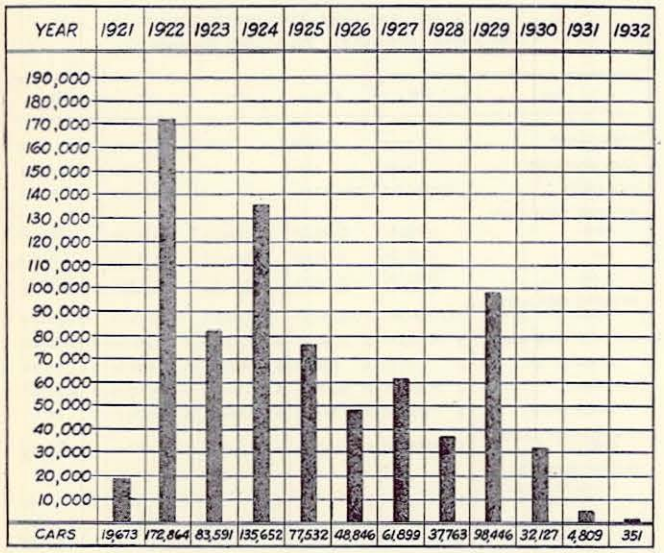


DIAGRAM A
HARVARD CURVE "B"
FED'L RES. BANK-N.Y. INDEX NO. 2
PULLMAN GROSS REVENUE
PULLMAN GROSS REVENUE*, HARVARD CURVE "B" (BUSINESS) AND RESERVE BANK OF N. Y., INDEX NO. 2 (GENERAL TRADE) FEDERAL
*(PERCENT RELATIVE TO THE 1923-1929 AVERAGE AS BASE-CORRECTED FOR SEASONAL VARIATION)
LEGEND: PULLMAN GROSS REVENUE
HARVARD CURVE "B" (BUSINESS)
FEDERAL RESERVE BANK OF N Y - INDEX NO. 2 (GENERAL TRADE)

[Advertisement]

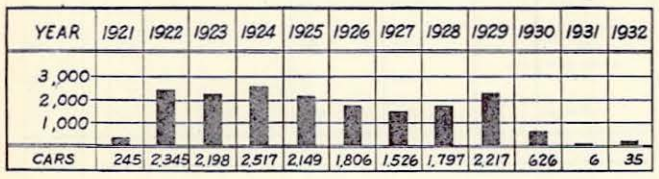
FREIGHT CARS PURCHASED ANNUALLY FOR STEAM RAILROAD OPERATION FROM ALL COMMERCIAL CARBUILDERS

Diagram C




PASSENGER CARS PURCHASED ANNUALLY FOR STEAM RAILROAD OPERATION FROM ALL COMMERCIAL CARBUILDERS

Diagram D




depression sounded by the carbuilding industry is depicted by purchases of only 351 freight cars and 35 passenger cars in 1932. This was equivalent to less than a half-day's capacity production for all the freight car builders and represented only a negligible fraction of the average annual purchases (76,839 freight cars and 1,743 passenger cars) during the ten years, 1921-1930.

While resumption of new equipment purchases on any large scale awaits a sustained rise in freight traffic and improvement in the railroad credit situation, potential demand for freight cars is accumulating and encourages the hope that equipment buying will start again in 1933, with eventual restoration of the manufacturing subsidiaries to profitable operation. Among the factors favorable to resumption of equipment purchases are the prevailing state of under-maintenance, the growing percentage of bad-order equipment, and fact that surplus freight cars in usable condition are now below last year's totals in the face of a relatively lower traffic level than prevailed at this time last year. There is prospect of work for the repair division of the equipment industry on stored, long-idle equipment, stripped of many parts and in need of repair.

### General

Expenditure of all kinds was carefully controlled during the year and every economy instituted that could be devised without sacrifice of your Company's properties, service responsibilities and business position. A 10 per cent reduction in wage payments to employees of all railroad carriers was instituted as of February 1, 1932, and made effective as of that date with all employees of the carrier subsidiary covered by specific wage agreements, and similar or larger reductions were made effective with the remaining personnel in the carrier and other branches of your Company's operations. In the manufacturing subsidiaries a large part of the stand-by organization still maintained is on half time or less and all plants and offices of all of the Companies are operated on five-day-week plan or less, with equivalent proportional pay. The carrier wage agreement providing for 10 per cent reduction in wage payment has been extended from the original expiration date (February 1, 1933) to October 31, 1933, and movement will undoubtedly be initiated in due course for renewed negotiation on carrier wage scales to apply after that date.

By order of the Board of Directors,

DAVID A. CRAWFORD,
President.

March 20, 1933.

[Advertisement]

# News (Railway Officers)

(*Continued from page 536*)

to the freight traffic manager of the Maine Central, will be appointed general freight agent of the Maine Central and of the Boston & Maine. **J. N. Gall,** general freight agent of the B. & M., with headquarters at Portland, Me., will assume general charge of all B. & M. off-line agencies throughout the country and will make his headquarters at Boston. **Charles K. Hall,** assistant freight traffic manager of the Maine Central, will be appointed assistant general freight agent of the Maine Central with headquarters at Portland.

**Frederick W. Nash,** assistant general freight agent on the Pennsylvania, with headquarters at Chicago, has been promoted to general freight agent, with the same headquarters, to succeed **J. T. Johnston,** who has retired. **Rowland W. Howard,** chief clerk to the traffic manager at Chicago, has been promoted to assistant general freight agent to succeed Mr. Nash.

Mr. Nash, who has been connected with the traffic department of the Pennsylvania continuously for 40 years, was born at West Liberty, Ohio, and studied for two years at Ohio University. He entered the service of the Pennsylvania on September 19, 1892, as a messenger and assistant yard clerk, and for the next 17 years he occupied various clerical positions in the freight traffic department. On April 1, 1909, he was appointed chief clerk in the office of the general western freight agent at Chicago, and on February 1, 1911, he was appointed to the same position in the office of the freight traffic manager at Pittsburgh, Pa. Six years later Mr. Nash was transferred to the office of the traffic manager at Pittsburgh, where he remained until August 1, 1918, when he was promoted to division freight agent of the

Frederick W. Nash

Akron division, with headquarters at Columbus, Ohio. On August 1, 1921, he was appointed division freight and passenger agent at Chambersburg, Pa., and on January 1, 1922, he was advanced to assistant general freight agent at St. Louis, Mo. On June 15, 1926, Mr. Nash was transferred to Chicago where he was located at the time of his recent promotion.

**Frederick Montmorency,** general freight agent on the Chicago, Burlington & Quincy, with headquarters at Omaha, Neb., has been promoted to assistant freight traffic manager, at Chicago, a newly-created position. **C. J. Rohwitz,** general passenger agent at Omaha, has been appointed to the newly-created position of general freight and passenger agent at the same point, in which position he will take over the duties formerly handled by Mr. Montmorency. **T. P. Hinchcliff,** general passenger agent at St. Louis, Mo., has been appointed to the newly-created position of assistant general freight agent at Omaha. **J. A. Leary,** division freight and passenger agent, with headquarters at Casper, Wyo., has been promoted to assistant general freight agent at St. Paul, Minn., to succeed **G. P. Lyman,** who has retired. **W. T. Walsh,** traveling passenger agent at Denver, Colo., has been promoted to general agent at Cheyenne, Wyo., to replace **G. F. Jones,** who has been appointed division freight and passenger agent at Caspar to succeed Mr. Leary. **William J. Lahr,** assistant general freight agent at Chicago, has been promoted to general freight agent at St. Louis to succeed **Harry E. Heller,** who has retired. **W. T. Vardaman,** commercial agent at Atlanta, Ga., has been promoted to general agent at the same point to succeed **H. R. Todd,** retired.

Mr. Montmorency has been connected

with the Burlington for 45 years. He was born at Burlington, Iowa, on September 26, 1870, and entered railway service in 1888 as a clerk in the freight claim department of the Burlington & Missouri River of Nebraska (now part of the C. B. & Q.) at Omaha, Neb., where he served in various clerical capacities for the next 10 years. In 1898 he was appointed chief to

Frederick Montmorency

the division superintendent at McCook, Neb., being transferred to the traffic department two years later as assistant general freight agent at Omaha. After 17 years in the latter position, Mr. Montmorency was promoted to general freight agent with the same headquarters, which position he continued to hold until his recent promotion.

Mr. Heller was born on July 12, 1862, and entered railway service in 1876 as a clerk in a ticket office of the Pennsylvania in connection with express business of the Central Express Company. From 1880 to 1886 Mr. Heller served also as clerk and advertising agent for the Burlington at Allentown, Pa. From July to September, 1886, he was with the Lehigh Valley as a freight and ticket clerk at Allentown, then being appointed traveling passenger agent on the Burlington. Subsequently Mr. Heller was appointed also traveling freight agent and from 1895 to May, 1899, he served as district passenger agent at Allentown. He was then appointed district freight and passenger agent at Philadelphia, Pa., which position he held until October, 1911, when he was appointed general agent at Kansas City, Mo. In October, 1919, Mr. Heller was promoted to general freight agent at St. Louis, which position he was holding at the time of his retirement.

## ENGINEERING AND SIGNALING

**George G. Smart,** supervisor of work equipment of the Great Northern, with headquarters at St. Paul, Minn., has been appointed general roadmaster of the Lines West of Williston, N. D., with headquarters at Seattle, Wash., succeeding **J. J. Hess,** who has retired. The position of supervisor of work equipment has been abolished.

## MECHANICAL

**E. M. Wilcox,** master car builder of the Indiana Harbor Belt, the Chicago River & Indiana and the Chicago Terminal division of the Michigan Central (all units of the New York Central lines), with headquarters at Gibson, Ind., has been appointed also to the same position on the Western division of the New York Central and the West division of the Michigan Central, with headquarters at Chicago. In reporting Mr. Wilcox's appointment in the March 4 issue, page 354, through a typographical error his name was given as E. M. Wilson.

## SPECIAL

**Thomas E. Chappell,** acting secretary of the board of pensions of the Atchison, Topeka & Santa Fe, with headquarters at Chicago, has been appointed secretary. Mr. Chappell succeeds **Charles Johnson,** who has retired because of ill health.

**J. Hampton Baumgartner** has been appointed special representative to J. M. Davis, president of the Delaware, Lackawanna & Western, succeeding the late **T. T. Maxey.** His duties will embrace public relations and civic activities in the communities served by that company. Mr. Baumgartner was at one time engaged in public relations work for the Baltimore & Ohio. Subsequently he resigned to engage in organizing the Association of Railroad Security Owners. Later he spent several years in the banking business. Since the summer of 1932 he has been engaged in behalf of investors in special studies of the financial emergency confronting the railroads as the result of the depression and the competition of the newer transportation agencies.

## OBITUARY

**F. J. Hoffman,** assistant manager of the Western Weighing and Inspection Bureau, Chicago, died on March 27 at the Research Hospital in Kansas City, Mo.

**H. G. Kaill,** who retired in 1929 as general freight agent on the Union Pacific, with headquarters at Kansas City, Mo., died on March 27.

**Harry E. Pence,** president of the Minneapolis, Northfield & Southern, with headquarters at Minneapolis, Minn., died on March 29 at Dayton, Ohio, following a heart attack.

**Oren P. Barry,** assistant comptroller of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Chicago, died suddenly on March 29, following a heart attack.

**Robert L. Irwin,** who was formerly connected with the purchasing department of the Texas & Pacific and who, during federal control of the railroads, was purchasing agent of the lines in Texas, died on February 13, at Pasadena, Cal.

**John W. White,** general freight and passenger agent on the Missouri-Kansas-Texas, with headquarters at St. Louis, Mo., and formerly passenger traffic manager of this road, died at St. John's Hospital, St. Louis, on March 28, of heart disease.

**Charles M. Huiler,** general freight agent of the Lehigh Valley, with headquarters at Jersey City, N. J., died on April 3 at his home in Mount Tabor Park, N. J., after a short illness. He was 63 years old, and had been connected with the Lehigh Valley for 38 years.

**Roe R. Hobbs,** superintendent of telegraph of the Louisville & Nashville, with headquarters at Louisville, Ky., died on March 21, following an illness of several months. Mr. Hobbs was born on July 26, 1871, at Athertonville, Ky., and entered the service of the L. & N. at the age of 13 years as agent and telegraph operator at Coon Hollow, Ky. He served in similar positions at various points until 1887 when he was appointed operator in the general office building at Louisville, later being advanced to chief operator. On September 10, 1912, he was further promoted to superintendent of telegraph, which position he held until his death.

**Andrew Riley,** purchasing agent of the New York, Ontario & Western, with headquarters at New York, died on April 2, at his home in Edgewater, N. J. Mr. Riley was born on April 10, 1868, at Bloomingburg, N. Y., and after attending high school, he entered railroad service with the New York, Ontario & Western on May 9, 1882, as an office boy in the roadmaster's office. He served as track storekeeper of the Southern division from May, 1883, to 1886, then becoming ticket agent and transportation storekeeper at Middletown, N. Y. From 1887 to 1889 he held the position of clerk in the chief engineer's office. Between the years of 1889 and 1902 he served as chief clerk in the offices of the purchasing agent and the paymaster. In 1902 he was appointed paymaster, which position he held until 1919 when he was appointed assistant purchasing agent. Mr. Riley has served as purchasing agent since February, 1930.

**C. I. Luque,** general superintendent of transportation of the Mexican Railway, with headquarters at Mexico City, who died on March 8, as noted in the *Railway Age* of March 11, was born on February 9, 1888, at Tula, Hidalgo, Mex., and entered railway service as a telegraph operator on the Mexican Central (now part of the National Railways of Mexico). Later he went with the Interoceanic Railway (now also part of the National Railways) in the same capacity and was later appointed a station agent. In 1906 Mr. Luque became connected with the El Oro Mining & Railway Company and served successively with this company as a telegraph operator, station agent, dispatcher and assistant to superintendent. After two years he entered the employ of the Mexican Railway as a dispatcher and was promoted through the positions of chief dispatcher, trainmaster, division superintendent and assistant general superintendent, being advanced to superintendent of transportation in 1927. Mr. Luque's title was changed to general superintendent of transportation in 1932.

# The New Transport Policy Based On Mergers

The "New Deal" for the railroads is to be presented to Congress shortly. It is expected to be along the lines of President Roosevelt's Salt Lake City speech. This stressed the pressing of the consolidation problem to a conclusion. That idea was further developed by the National Transportation Committee's report. It is also the basis of the F. H. Prince consolidation plan.

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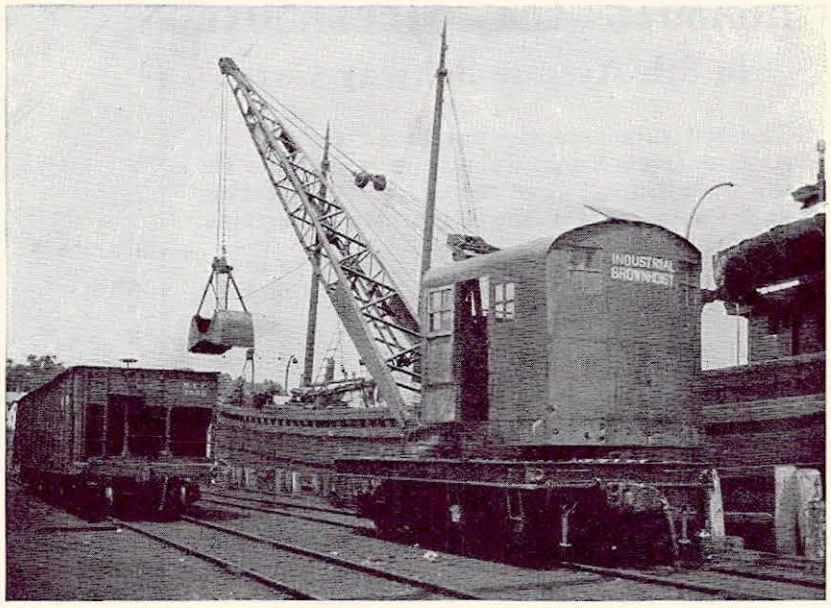


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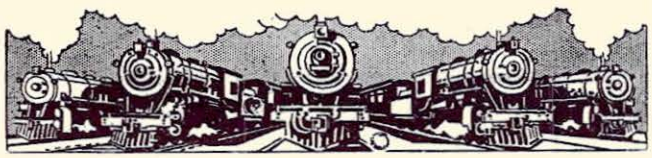

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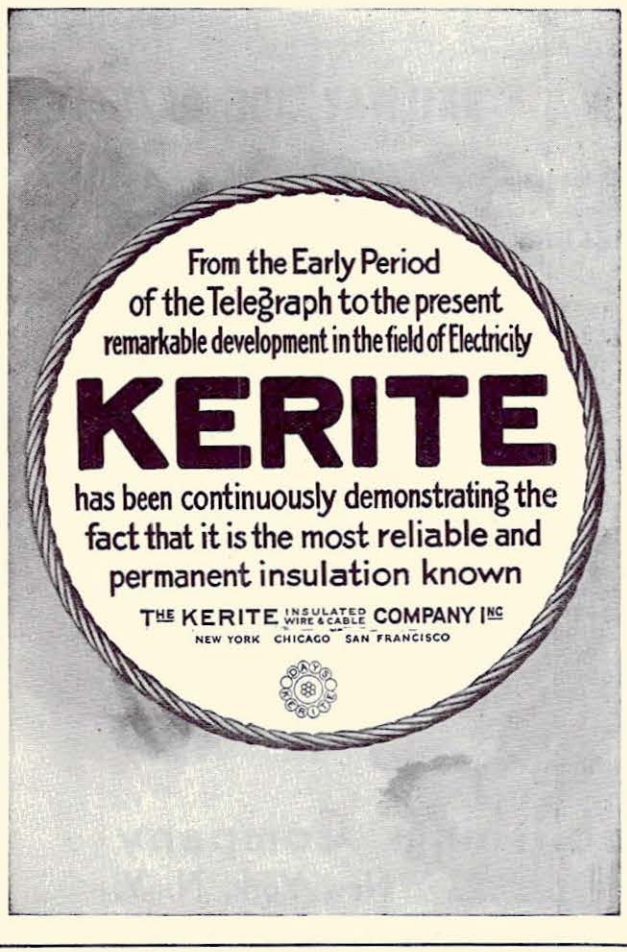
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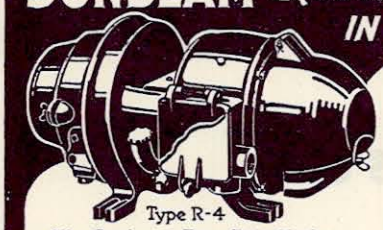

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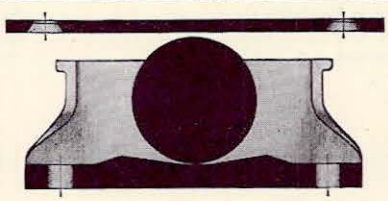

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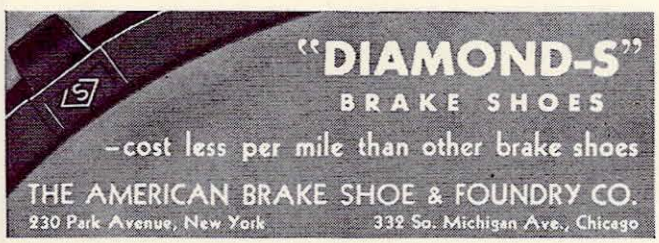
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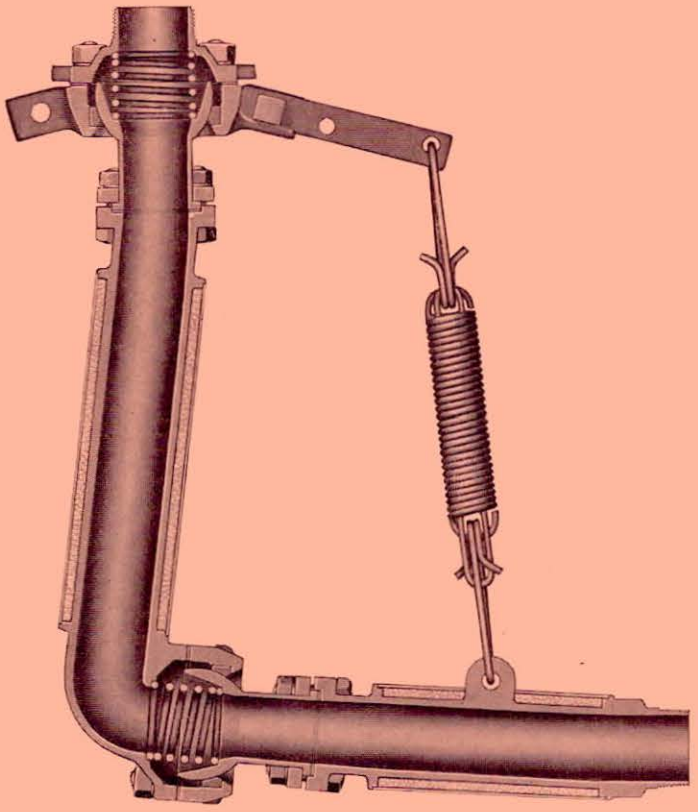

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